

Also, petition of the San Francisco Life Insurance Co., of San Francisco, Cal., protesting against any tax upon mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Allied Printing Trades Council of the State of New York, protesting against any reduction of the duty on printed matter; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of the German-American Alliance, Hartford, Conn., protesting against a customs duty on books printed in the German language; to the Committee on Ways and Means.

By Mr. REILLY of Connecticut: Petition of Mrs. C. Louise White, of Greenwich, Conn., favoring an amendment giving the franchise to women; to the Committee on the Judiciary.

Also, petition of the German-American Alliance, of Hartford, Conn., protesting against a duty on books printed in the German language; to the Committee on Ways and Means.

Also, petition of the General Pomona Grange, No. 1, Patrons of Husbandry, of Connecticut, urging retention of the administrative features of the parcel-post law; to the Committee on the Post Office and Post Roads.

SENATE.

WEDNESDAY, August 13, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

The Vice President being absent, the President pro tempore took the chair.

The Journal of yesterday's proceedings was read and approved.

PETITIONS.

Mr. PERKINS presented petitions signed by sundry citizens of Anaheim, Buena Park, Artesia, and Los Alamitos, all in the State of California, praying for the adoption of the proposed tariff referendum, which were referred to the Committee on Finance.

He also presented petitions signed by sundry citizens of California, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

Mr. NORRIS presented a petition of sundry soldiers, residents of Stratton, Nebr., praying for the adoption of an amendment to the pension laws providing for the monthly payment of pensions, which was referred to the Committee on Pensions.

He also presented a petition of the Platte Valley Official Trans-Continental Route Association at Fremont, Nebr., praying that an appropriation be made for the construction of a trans-continental highway, which was referred to the Committee on Agriculture and Forestry.

Mr. O'GORMAN presented petitions signed by sundry citizens of the State of New York, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

Mr. HUGHES presented a petition signed by sundry citizens of the State of New Jersey, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

HEIRS OF ANGELO ALBANO.

Mr. LODGE. I am directed by the Committee on Foreign Relations, to which was referred the amendment submitted by myself on July 22, proposing to appropriate \$6,000 to pay the heirs of Angelo Albano, in accordance with the recommendations of the President contained in his message of June 26, 1913, to report it favorably with the recommendation of the committee. I move that the amendment be referred to the Committee on Appropriations and printed.

The motion was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE (by request):

A bill (S. 2980) for the relief of Amy M. Sorsby; to the Committee on Foreign Relations.

By Mr. BRANDEGEE:

A bill (S. 2981) for the relief of Edward W. Whitaker; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 2982) granting a pension to Della E. Wall; to the Committee on Pensions.

By Mr. BURTON:

A bill (S. 2983) granting an increase of pension to Daniel Peyton; to the Committee on Pensions.

By Mr. SMITH of Maryland:

A bill (S. 2984) to authorize the Secretary of the Treasury to sell part of the Federal building site in Annapolis, Md.; and A bill (S. 2985) for the purchase of a site and erection of a Federal building at Crisfield, Md.; to the Committee on Public Buildings and Grounds.

A bill (S. 2986) to regulate the licensing, registration, and operation of motor vehicles in the District of Columbia, and for other purposes;

A bill (S. 2987) to amend section 932 of the Code of Law for the District of Columbia;

A bill (S. 2988) relating to insurance companies in the District of Columbia;

A bill (S. 2989) to provide for the regulation and incorporation of insurance companies and to regulate the transaction of insurance business in the District of Columbia; and

A bill (S. 2990) for the regulation and control of fraternal benefit societies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. JACKSON:

A bill (S. 2991) granting a pension to James Bell; to the Committee on Pensions.

By Mr. SAULSBURY:

A bill (S. 2992) to increase the salary of the Vice President of the United States; to the Committee on Privileges and Elections.

By Mr. SHERMAN:

A bill (S. 2993) for the relief of Jacob Barger; to the Committee on Military Affairs.

AMENDMENT TO THE TARIFF BILL.

Mr. BORAH. I submit an amendment to be proposed to the tariff bill, and ask that it be referred to the Committee on Finance.

Mr. PENROSE. The amendment should lie on the table.

Mr. BORAH. Well, let it be printed and lie on the table.

The PRESIDENT pro tempore. To be printed and lie on the table is the usual order.

Mr. BORAH. Very well.

The PRESIDENT pro tempore. The proposed amendment will be printed and lie on the table.

AGRICULTURAL AND VOCATIONAL SCHOOLS AND AGRICULTURAL CREDITS (S. DOC. NO. 164).

Mr. JONES. Mr. President, I desire to say that our State is taking a great deal of interest in the agricultural and industrial movement in connection with public schools. At Waterville, a small town in a farming locality, they are not waiting for Government aid, but are following out a plan of their own under which they are consolidating their districts and providing for the building of a school, and arrangements are being made by which they will get control of land that they may use in their school work.

I have here a letter from one of the men who is very much interested in this matter to one of the officials connected with the office of public education in our State giving an account of what they are doing there and their plans. The letter contains many very valuable and practical suggestions. I know the gentleman who wrote the letter, and he is a very practical man, and I know that the suggestions contained in this letter if considered and followed will be of very great service in connection with this work.

I also have a letter from the same gentleman addressed to one of the professors of our agricultural college at Pullman with reference to the matter of agricultural credits, and telling how these conditions are taken care of and have been taken care of in that part of the community for a great many years. It also contains some extremely valuable suggestions along the lines of this important matter.

I ask that the letter of Prof. Thomason, connected with our State department of education, addressed to Mr. Rogers and his reply thereto, and also a letter from Mr. Rogers to the professor of the department of economics, Pullman College, Washington, may be printed in the Record and also as a public document.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent that the document referred to by him may be printed in the Record and also as a public document. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

STATE OF WASHINGTON,
DEPARTMENT OF EDUCATION,

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

Hon. A. L. ROGERS, Waterville, Wash.

MY DEAR MR. ROGERS: In my report to the State bankers' association in Bellingham August 7 I would like to refer to your great work

in Waterville by way of illustration of the ultimate end and aim of the agricultural and industrial movement in the public schools. Would you, therefore, dictate me a letter outlining the Rogers-Wiley Waterville vision as you showed it to me last month? I should feel honored to receive such a letter from you in the near future.

Very truly, yours,

CALVIN C. THOMASON,
Field Contest Organizer.

WATERVILLE, WASH., July 18, 1913.

Mr. CALVIN C. THOMASON,
State Field Contest Organizer, Olympia, Wash.

DEAR SIR: Your letter of the 12th instant received. Regarding the Waterville vision of the correct idea of modern agricultural and vocational education, I will state that in our stand for good rural schools we simply are endeavoring to introduce into the community the best and most up-to-date information of a helpful kind which there is to-day. In Washington, D. C., there are vaults stacked high with bulletins giving valuable reports upon agricultural, horticultural, vocational, and animal industry problems. In every State as well as Washington there are agricultural colleges and experiment stations engaged in the same work. I say there is no lack of information to-day, but there is a decided lack of ways and means of getting it out to the farm and having it put in practice there. Pullman College is a fine institution for Whitman County, but Douglas County gets but little benefit from it. The inspiration is too far away. If a Douglas County farmer attends any of their short-course schools and lectures, his railroad fare alone would cost more than \$30. His board and lodging would be at least \$1 per day; only a few farmers could stand to hire help to attend to their stock and home duties while they are away three and four weeks, even in the dull season. Then, too, the average farmer is a little shy about sending his children 200 and 300 miles away to institutions whose teachings encourage ideals that may lead them away from the environments in which he and his have been raised. He is also inclined to feel that this higher education will render them dissatisfied with their lot as farmers and give them wrong conceptions of that which has been his life's work and study, conflicting, in fact, with the plans and aspirations which he has builded for his children's future. Then, again, few farmers can afford this expense, and he feels that he needs his children's help during his busy season, and, therefore, prefers to school his children nearer home.

The high-class knowledge and scientific data of our public institutions must be brought closer to the people; they must be in the atmosphere as an inspiration surrounding these people that need them and can make use of them. If the mountain won't come down to Mahomet, Mahomet must go to the mountain. I believe the committee on agriculture of the State Bankers' Association had this vision when they stood behind the county farm director bill that passed our legislature last winter. The Waterville consolidated high school will become the mediator and collecting agency of all this valuable knowledge and will dispense it, not only to the rural children, but to the actual farmer, and thereby establish the best up-to-date practice needed in our community. In planning our work we have tried to harmonize and utilize our public utilities to their highest stage of efficiency by combining school buildings, athletic fields, gymnasium work, farm and city garden tracts, fair grounds and buildings, agricultural demonstration grounds, horticultural fields, and nursery work. We also have plans for working out the animal-industry side of the question. We expect to build a model home for our county farm director on these demonstration grounds, for he will be the inspirational man who will, through his general supervision, with the help of a good science man in the school, connect up the theory with the practical side of this important work.

Waterville's consolidated school comprises six outside districts, with a total assessed valuation of about \$1,225,000. By bonding we are building a 20-room up-to-date school building, with all the provisions for teaching agricultural, vocational, and business training, along with the general academic school work. Through the public spirit of our county commissioners and our city fathers, we have a 99-year lease on 80 acres of fine farm land that is situated one-half mile from our 10-acre campus, in the center of our city. Adjoining our campus this school owns 10 acres of city property for farm and city garden demonstration grounds. In another addition it has 32 lots, which will in time be sold and the proceeds will be invested by the cashiers of our two banks, and the earned interest each year will become a perpetual library fund. In Douglas County the annual precipitation is about from 13 to 14 inches. It is necessary that we understand dry-farming methods. Our crop season is short; we need a variety of wheat that will mature early and be out of the way of the hot winds and extreme heat of the middle summer. We have discovered that in all our wheat fields of the many varieties raised that there are heads that mature two and three weeks ahead of the average crop. We propose to take 10 acres of our demonstration ground and see what we can do to improve and overcome all difficulties that confront us in growing our wheat crops to make safe farming. There will be as many boys connected with this work as there are varieties of wheat. Each boy will have charge of an exact acre of grain.

There will be a prize of \$25 for the boy that makes the best showing in the fall at our county fair. He will study his crop from the time it comes out of the ground until he harvests his samples. He will commence by going over the ground and picking out the strong, vigorous plants and identifying them by driving a stake and tying a red string around them. He will select and study such plants that are well rooted and well stooped, stiff and strong in the straw, long, well-filled heads that mature early and at the same time. Each boy will have his display in the building at the county fair and be on hand to tell the farmers what he has done. This choice seed will be sown the next year and be carefully studied and selected, and possibly the next year; and when we have got it to as high a stage of perfection as may be desired we will save the seed from the entire acre; we then will find a farmer with a good clean piece of land that is free from weeds and foul matter and get him to sow the same and offer him a premium of 5 cents per bushel for his crop the coming fall. The next year we will find several farmers with clean land, and their crops will furnish seed for the whole county—seed that will be acclimated and adapted to our soil and rainfall; that will mature early and at the same time with an increased production. We will take 10 acres for corn culture. The elevation of our plateau is about 2,600 feet above the sea level. Our nights are cool, but we believe we can develop a variety of corn that will make 10 tons ensilage eventually to the acre. If it can be done, the silo will make a dairy country of eastern Washington, and our wheat farmers will slide into diversified farming without shock or jar. It is impossible to expect a farmer with 320 to 640 acres of

wheat land, with a \$10,000 outfit of machinery and horses, to jump immediately into diversified farming. His evolution into changed conditions must be slow. He must feel his way or he will go broke. We propose that our consolidated community school shall solve these problems and prove what is the best practice before he is forced to take these chances. In other words, through its experiments eliminate all chances. We will set aside grounds for experiments with barley, oats, potatoes, flax, and other farm products that are or may be adapted to our soil and climate, and carry on the work with the agricultural classes in much the same way as I have outlined the wheat culture, offering prizes in competition with each variety.

In the department of animal industry we have visions of community stallions, bulls, rams, and boar pigs, so that it will be possible to breed true to blood and type. There are no reasons on earth why Douglas County can not become famous for its pure-blood Normans, Shires, and coach horses, its pure-blood Holstein and Ayrshire cattle, its pure-blood Berkshire and Poland China pigs. A full-blood Norman horse is worth \$300, and a scrub is worth from \$75 to \$100, and both require about the same amount of feed and care. A first-class cow will net you a hundred dollars a year in butter fat, and a poor cow will simply waste your feed with no returns. A pure-bred pig will dress 300 pounds at 8 months old, and it will take twice the feed and a good deal more time to put that weight on a scrub. We believe that the people living in our consolidated school district will provide ways and means whereby we can start this animal industry of pure-blood stock on our school demonstration farm, and thereby utilize the feed raised on the 80 acres. Moderate charges of service will pay all expenses, and at the same time the scholars will have the opportunity of knowing and judging the best stock.

The farm and city garden tracts adjoining our campus will be more or less under the supervision of the department of domestic science. The school auditorium will be open to the use of the Farmers' Union and all public gatherings when not in use by the school. The gymnasium and baths will be open to the young business men and clerks and young men from the country at stated hours when not in use by the school. The July races, potato carnivals, and county fairs will be held on our demonstration grounds. All school laboratories for the analysis of soils, and all experimental departments will be open at all times with its best information to all the farmers. Our school libraries will contain all the yearbooks from the Agricultural Department at Washington, D. C. We will get on the mailing list of all the agricultural colleges and experimental stations in every State in the Union. This valuable information can be had without cost to the school. There will be pigeonholes for bulletins on wheat, corn, barley, oats, potatoes, and all farm products, diseases of animals, and breeding of stock, and all scientific experimental work in all phases of rural life conditions. Now, there is nothing wonderful or original about this work. We have simply got the vision that by organizing and utilizing our public utilities we can introduce into our consolidated district school and county organizations what the State is doing at our agricultural college at Pullman for the State at large. We are simply going to collaborate with them and try and bring their great work closer, and in a more economical and inspirational way to all the rural people. When we first began to study these questions we thought we must have State aid to bring these things about, but now we are convinced that through the consolidation of these school districts, and by the proper organization of our public utilities, we can bring all this about with but little additional expense to the taxpayers over and above the cost of the old system of separate schools. Self-help is the only help that has lasting value. Our aim is to educate for usefulness as well as for honors. The handwriting is on the wall for the big wheat farmer. His days are numbered. Twenty years ago I operated a flour mill in this section. Our wheat then tested as high as 44 per cent gluten—to-day the test runs from 20 per cent to 30 per cent. This is a sure sign they are wheating the fertility out of the soil, and diversified farming must in time take its place. These schools must point out the way for the coming generation, and smooth the way for the wheat farmer to gradually change his methods. The wheat habit is as bad as the hookworm. We hear a good deal nowadays about the gasoline plow and caterpillar engines. I say that any man who has the credit and the nerve to buy one of these is an enemy to his community. Farming less than a section of land, one of them can not be used profitably. They are coming into this country, and their coming means the consolidation of farms already too big, the removal of division fences, and the working of larger and larger areas of soil with no possibility of diversification of crops, and to which never a pound of fertilizer is added to the ground. Such men, when they have worked the country for all it is worth, will sell their holdings on slow notes, take their winnings, and get out of the country, leaving a run-down farm to the community and to posterity. There are laws to-day regulating the business of so-called public-service corporations, railroads, telegraph companies, steamship lines, etc., yet the soil is the very foundation upon which is built the great business of to-day, and to me it sometimes looks as if we were getting at things wrong end to when we regulate the business of public-service concerns and let the farmers treat the soil as they will, for I contend that he who is charged with the responsibility of tilling the soil has upon him a great responsibility indeed. Humanity looks to-day to the soil for food and clothing, and in this sense the farming of land is a public service.

Yours, sincerely,

A. L. ROGERS.

FARM CREDITS.

WATERVILLE, WASH., April 19, 1913.

Prof. L. I. BRISLAW,
Department of Economics,
Pullman College, Pullman, Wash.

DEAR PROFESSOR: Your letter of recent date received. I have been dead dog-tired every night for the past week, having planted some 200 trees; hence delay in answering your letter. I have filled out the inclosed questions to the best of my ability, and according to the manner in which agricultural credits have been handled in this section. The system has been changing year by year since the pioneer days of 25 years ago; land values are becoming more settled; the possibilities of safe farming are becoming more definite, and therefore interest rates are gradually getting lower as the speculative conditions disappear. This is, at present, a one-crop wheat-producing country; one-half the land is summer fallowed each year; consequently there is but one pay day each year, and the farmer gets his credits on that basis. The whole system is inefficient and uneconomic. Very few of them have made much money outside of the raise in values of their land. They are all farming on too big a scale. Under the present system they are destructive as hell in their methods. They are going into debt, buying more land, gas traction engines, and 10-bottom plows. No

rotation or diversification of crops—just wheat, wheat, wheat; simply mining the soils and selling the surface of their farms. The greatest trouble with the average farmer—he is getting too much credit, and the bankers and merchants are due some consideration and also some condemnation in taking long chances in their desire to help the farmer and develop the country—even though they do it with the idea of making a profit. One great trouble is the American farmer is not an agriculturist but a speculator in lands; he values the soil to exploit it, and not for its true producing qualities. I need no better proof of this assertion than statistics from the Middle and New England States, where you can buy farms for less than the cost of improvements on them. I know plenty of men of wealth who would be glad to make farm loans at 6 per cent on 25 or 50 years' time under the amortization plan of retiring the principal and interest, but men with capital hesitate in taking chances on the ignorant, shiftless, and speculative methods of the average American farmer; the land would be worn out before the mortgage became due.

There is an immutable law in loaning money—the greater the risk the higher the rate—and whenever the American farmer qualifies himself and his conditions the same as the German and the French farmer has done, he will get just as good accommodations, but not until then. Under the laws of compensation most everyone gets what is coming to him. The rich man gets his ice in the summer and the poor man gets his ice in the winter, but they all get ice. A bunch of farmers came into my office the other day kicking on the rates of interest. I informed them that not one of them was a genuine farmer; they were simply speculators; they demanded loans up to almost the actual value of the land, based on their earning capacity; they expected to scratch around on the surface of the ground to make expenses and no improvements, hoping and expecting that some sucker would come along in a year or two and give them twice what they paid for it. The money lender expects and demands the highest rate of interest he can write when he goes into that kind of a partnership. I further informed these gentlemen that there would some day be an agricultural people living in this section that would be entitled to a very low rate of interest, but those people would not come to the market in an automobile—they would stick to the dead-axe wagon—and every time they came to town it would be loaded with something to sell; and when they went home they would haul back a load of manure to strengthen their collateral, so that their land would be worth as much when the mortgage became due as it was the day it was written, and thereby justify a demand for lower rates of interest.

A farmer to make money has got to learn to tote both ways, but the biggest load must go toward the market. The wheat farmer works hard two months in the spring and two months in the fall, and the balance of the time he sits around kicking the grain man, the transportation man, the middleman, and the banker when he should be milking cows and feeding hogs, and doing diversified farming, thereby maintaining the fertility of the soil and having something to sell when he comes to town to buy his supplies. The silo will make a dairy country out of eastern Washington and double the values and producing qualities of the land. Some of the farmers are waking up to this fact and more will follow later on.

Long-time loans secured by mortgages on land should not be made except for the purchase price or permanent improvements on same. The farmers of this section can at all times get any reasonable amount on their lands on three or five years' time at 8 per cent, with a privilege of paying \$100 or any multiple thereof on the principal at any interest-payment period, and all papers generally come due in the fall, after harvest, for their convenience. So much for long-time credits.

Our bankers have always handled the farmers' short-time loans, and every deserving man has had all he required, and the rates have always been in keeping with the risk; for example, if Bill Jones wanted \$200 June 1 to pay for his spring work, he gave his note, due December 1, at 12 per cent. On September 1 if he wanted \$400 to carry him through harvest, he gave his note, due December 1, at 12 per cent. He got what he wanted when he wanted it—all he needed—and he virtually only pays 4 per cent per annum for his accommodations.

Since the first of the year our banks have reduced the interest rate to 10 per cent on short-time loans.

I have been in the general merchandise business for over a quarter of a century and I know the eastern Washington farmer just as though I had been through him with a candle. I have let him get into debt and furnished the brains to get him out of debt, and for the past three years we have gone into practically a cash business. We did this as much for the sake of the farmer as for our own. If you would sit down with the average farmer in the spring and figure out the actual amount necessary to carry him through until fall, and say, "Here, Bill, is the cash; you take it and pay it out as you need it," I will gamble dollars to doughnuts that in 60 days he would have spent it all, and 90 per cent of the amount would be invested in things he never intended to spend it for, and he would be just as inconsiderate in paying it back promptly when due as he was in spending it, and that is just the reason Bill has to pay the price for his accommodation. I am sick and tired of hearing that the rich are getting richer and the poor are getting poorer.

It is up to the individual to make good. There is an unwritten law that every person has got what he can take care of, for if he don't, the other fellow gets it. You can't mix business and philanthropy and have the balance on the right side of the ledger. There are reasons for successes and there are also reasons for all failures. For 25 years I have been the credit man of our firm. We have done a credit business of from seventy-five to a hundred thousand dollars a year. We never lost more than a quarter of 1 per cent on our sales, and never sued but three men in that time. They say extending credit is a science, it may be so, but the whole secret of success in that line is simply keeping each individual man inside his earning capacity. One man will pay you 5 when he couldn't pay you 10; another will pay you 10 when he couldn't pay you 20, and so on up as high as the qualities of your customer will permit you to play the game. All men are selfishly honest and will pay under the ordinary stress of affairs. When a banker, merchant, or farmer gets a rating of AA in Bradstreet it means he has a record; he has been tested by fire, as it were; that he would put his family on bread and water rather than to sacrifice his commercial credit. That man has honesty, capacities to make good, and, ten to one, he has the collateral. He can get anything he wants. I simply state these facts to show you that you can not handle credits in a general way. Most magazine and newspaper writers handle the subject of credits as though it was a commodity that you could shovel into a wheelbarrow or haul off in a wagon.

I served several years on the discount committee in a national bank, and I learned that when a man presents himself at a bank window asking for accommodations, he must have the evidence of his collateral, his credentials, know his piece, or pack a gun, or he don't get any

money, and no changes in the laws will ever help him to get it otherwise. It is true that the farmer's paper is slow, awfully slow, sometimes. He can find more foolish excuses for not paying when due, such as the bottom fell out of the well, the chimney fell off the roof, or the bull jumped over the moon. In the meantime you have intermittent periods of night sweats through the fear that the bank examiner will slip around and catch you with an overstock of musty papers (a large part of which possibly he has already hinted you had better place in the morgue, in other words, charge off to profit and loss account), but by gathering an increased stock of patience, much solicitation and prayer, you drift along until you strike a bumper crop, and in the end you generally get your money. One of the best and most prominent responsible farmers in this section bought an automobile and stood me off two years on a \$450 grocery bill, and so it goes. But, take it all in all, the farmer is as good a risk as the merchant, artisan, and other classes, and is entitled to as good a rate as anyone. There is a new day coming for the agriculturist, his sons and daughters are awakening to the call of the efficient and scientific side of his work. The whole system is being made over. He will in time have a better appreciation of credits and will make better use of them when he gets them, but it is up to him as an individual to make good, and thereby establish a community standard for general lower rates and wider extended credits, and I would further remark that the farming classes should pick the mote out of their own eyes and study the scientific and efficient side of their great calling before they criticize too deeply the business and professions of other classes.

Please excuse this hurried jumble of facts. The question of rural credits is worthy of much serious consideration.

Yours, sincerely,

A. L. ROGERS.

CALLING OF THE ROLL.

The PRESIDENT pro tempore. The morning business is closed.

Mr. SMOOT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Myers	Smith, Md.
Bacon	Gallinger	Nelson	Smith, Mich.
Borah	Gronna	Norris	Smith, S. C.
Brady	Hollis	O'Gorman	Smoot
Brandeggee	Hughes	Page	Sterling
Bristow	Jackson	Penrose	Stone
Bryan	James	Perkins	Sutherland
Burton	Jones	Pittman	Thomas
Cañon	Kenyon	Robinson	Thompson
Chamberlain	Kern	Saulsbury	Thornton
Chilton	La Follette	Shafroth	Tillman
Clapp	Lane	Sheppard	Townsend
Clarke, Ark.	Lea	Sherman	Vardaman
Crawford	Lodge	Simmons	Williams
Dillingham	McLean	Smith, Ariz.	
Fall	Martine, N. J.	Smith, Ga.	

Mr. O'GORMAN. I desire to announce that the junior Senator from Ohio [Mr. POMERENE] is temporarily absent on official business.

Mr. GRONNA. I wish to announce that my colleague [Mr. McCUMBER] is necessarily absent, due to illness in his family, and that he is paired with the Senator from Nevada [Mr. NEWLANDS].

Mr. CLAPP. I wish to state that the junior Senator from California [Mr. WORKS] is necessarily absent. I will let this statement stand for the various roll calls to-day.

Mr. SHEPPARD. My colleague [Mr. CULBERSON] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. THORNTON. I desire to announce the necessary absence of the Senator from Alabama [Mr. BANKHEAD], and also that he is paired with the junior Senator from West Virginia [Mr. GOFF]. I ask that this announcement may stand for the day.

Mr. GALLINGER. I desire to state that the junior Senator from Maine [Mr. BURLEIGH] is absent on account of sickness.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. STEPHENSON] and the senior Senator from Delaware [Mr. DU PONT] are detained from the Senate on account of illness.

Mr. JONES. I desire to announce that my colleague [Mr. POINDEXTER] is necessarily detained from the Chamber.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. A quorum of the Senate is present.

GOVERNMENT PROPERTY IN FOREIGN CAPITALS (S. DOC. NO. 163).

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, ordered to lie on the table and to be printed.

To the Senate:

I transmit herewith a report from the Secretary of State, submitting copies of the dispatches received from the diplomatic officers of the United States, to whom were addressed instructions prepared with a view to carry out the resolution of the Senate of the United States dated February 18 last, requesting the Secretary of State, "through the diplomatic and consular officers of the Government, to ascertain the system of

taxing Government property in the several capitals of the leading countries of the world, a full and complete report on the subject to be transmitted to the Senate at the earliest practicable day."

WOODROW WILSON.

THE WHITE HOUSE, August 13, 1913.

INTERNATIONAL CONGRESS ON BILLS OF EXCHANGE (S. DOC. NO. 162).

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, ordered to lie on the table and to be printed:

To the Senate and the House of Representatives:

I transmit herewith a report by the Secretary of State covering the report of the American delegate to the International Congress on Bills of Exchange, which was held at The Hague in the summer of 1912, and at which the United States was represented by the authority of Congress.

WOODROW WILSON.

THE WHITE HOUSE, August 13, 1913.

THE TARIFF.

Mr. SIMMONS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the next paragraph.

The Secretary resumed the reading of the bill at paragraph 197, page 56, line 11.

The next amendment of the Committee on Finance was, in paragraph 197, page 56, line 15, before the word "cent," to strike out " $\frac{1}{2}$ " and insert " $\frac{1}{4}$," so as to make the paragraph read:

197. Rice, cleaned, 1 cent per pound; uncleaned rice, or rice free of the outer hull and still having the inner cuticle on, $\frac{1}{2}$ of 1 cent per pound; rice flour, and rice meal, and rice broken which will pass through a No. 12 sieve of a kind prescribed by the Secretary of the Treasury, $\frac{1}{2}$ cent per pound; paddy, or rice having the outer hull on, $\frac{1}{2}$ of 1 cent per pound.

Mr. BRISTOW. I should like to inquire upon what theory the reduction in the duty on rice is made from 2 cents a pound to 1 cent a pound.

The PRESIDENT pro tempore. To whom does the Senator address his inquiry?

Mr. BRISTOW. The Senator in charge of the bill or anyone who has that information.

Mr. WILLIAMS. Mr. President, that is rather a queer question accompanied by no motion of any sort. But the duty on rice was reduced 50 per cent. It was the hothouse cultivation of the Republican tariff, and we concluded that we could get a revenue from it by a reduction of 50 per cent and at the same time that that reduction would not destroy the industry. This cut of 50 per cent was made by the House, and the Senate committee coincided with the House's action, except in one respect. The Senator will notice that the House put broken rice and rice flour and rice meal passing through a No. 12 sieve at one-eighth of a cent per pound and the Senate committee raised that rate to one-fourth of a cent a pound. The reason of that was that rice meal or rice flour or broken rice is used only for brewing purposes. It is used in making beer. It is not a finished product, as some Senators might imagine from the name of it. It is a by-product of the rice.

It is used for this purpose, and the evidence convinced us that the great German rice mills had an immense amount of it on hand all the time. In Germany that Government, more careful of the health of the people than ours has been, forbids the brewers to use rice in beer at all. They are compelled, therefore, to export this by-product, and these people said that it would be brought here and absolutely destroy the home market for broken rice or rice flour or rice meal, and that, so far as our natural objection to that as Democrats was concerned, to wit, that the increase of the duty would make the price of the product higher to the consumer, it did not operate in this particular case, because neither a barrel of beer nor a glass of beer would sell for any more or any less; and we thought it quite a convenient way of collecting revenue from the brewers of the country by advancing it from one-eighth to one-fourth.

In the balance of our provision, as regards rice as used for human food, we reduced it to the very lowest possible point that we could. We did not put it upon the free list because, although a food product, we did not regard it as a basic food product for the American people with their habits of life.

Mr. BRISTOW. I see, as the Senator has explained, that the duty of one-fourth of a cent a pound on that quality of the product of rice or that product which is used by brewers is maintained at the same rate that it was in the Payne-Aldrich law, at one-fourth of a cent a pound.

Mr. WILLIAMS. You mean the broken rice?

Mr. BRISTOW. Yes.

Mr. WILLIAMS. Yes; it is maintained at the same rate, because it is entirely paid by the brewers and will not fall upon the consumer.

Mr. BRISTOW. I asked the question yesterday why the same rate should not be maintained on barley that the Payne-Aldrich law maintained on barley used by the brewers.

Mr. WILLIAMS. We did not maintain the Payne rate on barley for the same reason that we did not maintain the Payne rate upon rice. We thought it would stand the reduction, in the first place, and we did not regard it as a basic article of human food, and therefore did not put it upon the free list.

Mr. PENROSE. Mr. President, it may be that one reason was that barley is raised in the North and rice in the South.

Mr. WILLIAMS. I do not believe that the Senator from Pennsylvania believes that that was the reason.

Mr. PENROSE. Mr. President, I was very much shocked to hear the Senator from Mississippi just now make a protection argument.

Mr. WILLIAMS. The Senator from Mississippi did not make any protection argument.

Mr. PENROSE. He said it would be disastrous to this product if unlimited foreign competition were permitted. He is the last Senator on this floor I would expect to hear such an argument from. I was astounded. The stenographer's notes will recite what the Senator said, that while he admitted that it was un-Democratic doctrine yet the fact that the tax was imposed upon the brewers made a kind of spotted protection in this instance legitimate. The Senator's language is there.

Mr. WILLIAMS. The Senator from Pennsylvania now and then becomes facetious. He does not mean that.

Mr. PENROSE. I mean—

Mr. WILLIAMS. Does the Senator from Pennsylvania mean that this committee was guided by the fact—

Mr. PENROSE. I mean that the Senator from Mississippi deliberately informed the Senate that this by-product, as he called it, if admitted without any restraint or restriction into the United States would seriously curtail the market for the home product, and that therefore, although the doctrine was un-Democratic, yet as the tax happened to fall upon the brewers, he thought that perhaps a little incidental protection for the product of Louisiana, Texas, Georgia, and the two Carolinas might perhaps be legitimate in this instance.

Mr. WILLIAMS. Mr. President, if the Senator wishes to take that as his construction of what I said, of course, I can not help it; but what I said is there to be read by all men with intelligence enough to read, and I stand by just precisely what I did say, which was this: That we thought that we could get a splendid revenue from this article—an increased revenue—without taxing the consumer. I said that; I did not say that that violated Democratic doctrine. I said, as against the argument which might be made that it would violate Democratic doctrine, that that was the answer.

Mr. PENROSE. I hope the notes will be allowed to stand as they were taken down, and the Senator will be greatly surprised at what he did say.

Mr. WILLIAMS. Very well; we will abide by that.

Mr. BRISTOW. Mr. President, I inquired yesterday, as the Senator from Mississippi will remember, why it was that the duty on barley was reduced from 30 cents a bushel to 15 cents a bushel, and I made the statement that barley was used by the brewers. The brewers are the purchasers of barley.

Mr. WILLIAMS. The difference, Mr. President, is that broken rice meal is used by the brewers alone, and barley is used for very many other purposes besides brewing.

Mr. BRISTOW. The amount used for other purposes is practically negligible.

Mr. WILLIAMS. Barley is used a good deal for human food, and it is used a good deal for stock food as well, but we reduced the duty because we thought that it was a fair reduction in comparison with the reductions made in the balance of the bill, and it removed that much tax.

Besides that, the Senator from Pennsylvania [Mr. PENROSE] seems to think that when I say that an industry can stand a reduction I am making an admission or a concession to protectionism. I am not doing that; but there are a great many industries in this country which have been highly hothoused and as to which everybody knows that if we reduce the duty as low

as we would want to do we would put some of them out of business. The President of the United States in the campaign and the Democratic Party in its platform have said that they did not want to destroy legitimate industries. We reduced the duty on barley as low as we thought we ought to and left it at the point where we thought it ought to be left.

Mr. BRISTOW. If the Senator from Mississippi will examine carefully the uses to which barley is put, he will find that practically all of it is used in brewing. There is some that is used, of course, but a negligible quantity, for other purposes than brewing. The duties, according to the handbook, that will be collected on barley as a result of this reduction will be \$300,000 per annum. I do not see just how the handbook author gets at that amount, because we collected last year \$530,000 of revenue from imported barley. That, of course, was paid largely by the brewers along the Canadian border; and according to the handbook we are to take off \$530,000 of revenue which has been paid. I do not think that it would make a glass of beer or a bottle of beer to those who desire to use it—and too many of our countrymen use it—cost any more, and the Government would be more than a half million dollars out, according to the figures here.

It seems to me that the same principle ought to have been applied to barley as is applied to the products of rice that are used by the brewers. I do not object to increasing the duty over the House rate from one-eighth to one-fourth. I think it is all right to do that. I think the reasons assigned by the Senator from Mississippi [Mr. WILLIAMS] entirely justify that change in the bill.

If the Senator, as I understood him to say that he had, had examined carefully the rice industry in our country—and I think it is a very important one; I can not agree with him that it is a hothouse industry—he would find the handbook here shows that we produced of rice for 1910—the 1912 figures not being given—626,000,000 pounds.

Mr. WILLIAMS. I have all that before me.

Mr. BRISTOW. And that we imported 25,000,000 pounds for the same year. Now, where we produce 626,000,000 pounds—

Mr. SIMMONS. Mr. President, the Senator from Kansas is wrong about that.

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from North Carolina?

Mr. BRISTOW. I do. If I am wrong, I should be glad to be corrected.

Mr. SIMMONS. The total importations last year, as shown in the last bracket of the handbook, were 216,000,000 pounds; while the total exportation was what the Senator gave, 626,000,000 pounds.

Mr. BRISTOW. My attention was diverted for a moment. From what bracket does the Senator from North Carolina quote?

Mr. SIMMONS. The last bracket. That is the total of the paragraph.

Mr. BRISTOW. That includes the importations of all of the products.

Mr. SIMMONS. But the Senator from Kansas gave the total production, which is the same as that in the last bracket.

Mr. BRISTOW. Yes.

Mr. SIMMONS. And the 626,000,000 pounds in the last bracket include everything. So the Senator from Kansas ought to include the total importations in that bracket.

Mr. BRISTOW. If I am wrong in this, the Senator will correct me. I inferred that the production of rice and the different articles that are made from rice was from our own rice, but from what the Senator now says, I infer that rice is imported and then transformed into some of these other products. Is that correct?

Mr. SIMMONS. I am not able to answer that, but the total production, including rice flour and rice, is as the Senator gave it, 626,000,000 pounds. The total importations, including all articles in these brackets, amount to 216,000,000 pounds.

Mr. BRISTOW. If we have imported rice and then it has been manufactured into these other products, that, of course, would make the comparison which I made not an accurate one, but the handbook does not give the production of rice cleaned; it only gives the total production of the articles named in the paragraph.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me a moment, if he will turn to the fourth bracket he will find that there were importations of rice flour, rice meal, and broken rice which will pass through a No. 12 wire sieve, of 116,500,000 pounds in round numbers. Then, if he will turn to the total paragraph, summing up, he will find that the total importations of rice were 181,775,000 pounds, in round numbers, from which

he will ascertain, by deducting one from the other, that the importations of cleaned rice, free rice, and paddy rice with the hull on, all put together, amounted to 64,500,000 pounds, in round numbers. The Senator can ascertain that by the simple process of subtracting one from the other. From that the Senator will learn that most of the rice imported into this country was rice flour, rice meal, and broken rice for brewing purposes.

Mr. BRISTOW. But still—

Mr. WILLIAMS. And upon that we have kept the duty for the purpose of getting as large a revenue as possible with as little burden as possible to the general consumer.

Mr. BRISTOW. As I said before, I approve that increase from one-eighth of a cent to one-fourth of a cent per pound for the purpose the Senator has stated. I think it is all right; I have no controversy on that point, but I think the Senator from North Carolina must be in error when he questions the accuracy of the figures here and my interpretation of what they mean. It seems to be that the production of 626,000,000 pounds given in Table 5 is the total production of rice in the United States.

Mr. WILLIAMS. Mr. President, if the Senator will stop and think for a moment he will see that there is no domestic production of broken rice or rice flour or rice meal in the proper sense. Our production is of the rice, and, then, as we render the rice edible in the mill these other things are by-products; so that the report refers to the amount of rice raised in the United States—in other words, rice in the hull.

Mr. BRISTOW. That is exactly my interpretation of the figures.

Mr. WILLIAMS. Precisely.

Mr. BRISTOW. It was questioned by the Senator from North Carolina. My friend here the Senator from North Dakota [Mr. GRONNA] has handed me a statement of the production of rice in the year 1911. It shows a production of 662,000,000 pounds, which practically confirms the figures given in the handbook, being a few million pounds less; so that I think the Senator from North Carolina [Mr. SIMMONS] must conclude that the interpretation placed upon the importations as indicated in the table here by the Senator from Mississippi [Mr. WILLIAMS] and myself is correct.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I have here the official statement for the year 1911, which shows that the domestic production of cleaned rice—and it does not give the figures except for cleaned rice—amounted in that year to 637,000,000 pounds. It shows in the same year that the importations of cleaned rice amounted to 76,655,000 pounds, and of broken rice to 132,000,000 pounds, or a total of 208,000,000 pounds.

Mr. BRISTOW. The junior Senator from North Dakota [Mr. GRONNA] informs me that the figures handed to me by him were taken from the Agricultural Yearbook for the year 1911, and they give the total production at 662,000,000 pounds.

Mr. WILLIAMS. To what year is the Senator referring?

Mr. BRISTOW. I was reading from a statement handed me by the Senator from North Dakota, which says—

Mr. WILLIAMS. I asked for what year.

Mr. BRISTOW. For 1911.

Mr. WILLIAMS. Well, the Senator from North Carolina was quoting from the figures for 1910.

Mr. BRISTOW. Yes.

Mr. WILLIAMS. That accounts for the variation, without further discussion.

Mr. SIMMONS. The handbook gives the figures for 1910, and I quoted a little while ago the figures for 1911.

Mr. BRISTOW. Well, there is no material difference in the figures—

Mr. SIMMONS. No; there is not.

Mr. BRISTOW. Which indicates that the production of rice for 1911 was more than for 1910 and more than for 1905, thus showing that it has been a growing and developing industry.

Mr. WILLIAMS. If the Senator will pardon me, the statistical record of the progress of the United States, the so-called Statistical Abstract, gives the production for 1911, which was what the Senator from North Carolina quoted. Now, from what is the Senator from Kansas quoting?

Mr. BRISTOW. I am quoting from a statement prepared by the Senator from North Dakota [Mr. GRONNA], taken from the Agricultural Yearbook.

Mr. WILLIAMS. Ah, that merely demonstrates that the Census Bureau and the Agricultural Department differ.

Mr. BRISTOW. They differ; yes.

Mr. WILLIAMS. That is all. Nobody can tell which is right or wrong. Suppose we go on to the next paragraph.

Mr. BRISTOW. It is not a very material difference, of course. I do not think that an industry which is producing, in round

numbers, 650,000,000 pounds of food a year, when our importations are from 17,000,000 pounds to 25,000,000 pounds, less than one twenty-sixth of the amount of our domestic production, can be properly described as "a hothouse industry." I think it is a legitimate industry. I believe that a duty which protects the development of an industry like that is justified. I believe that reductions in such a duty ought to be made when they can be made safely without impairing the prosperity or the proper development of the industry.

Mr. WILLIAMS. We thought so, too, and reduced the rate 50 per cent for that reason. We seem not to be differing with one another at all; we are just arguing.

Mr. BRISTOW. I am very glad to know that; but I rose for the purpose of ascertaining, if I could, the reason for such reduction. As I was going to say awhile ago, if the authors of the bill from a careful investigation of the industry have concluded that a duty of 2 cents a pound can be reduced to 1 cent a pound with safety and without impairing the success of the industry or its prosperity or its proper development, I think it is a very proper reduction to make. I have not looked into it with a view of determining whether or not 1 cent a pound is sufficient and whether a reduction of 50 per cent is too much or whether it is not enough.

Mr. WILLIAMS. The Senator will find, if he will look at the figures, that we exported nearly a million dollars worth of rice in 1912.

Mr. BRISTOW. Yes.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. Certainly.

Mr. BORAH. The Senator from Kansas stated that he rose to find out why this reduction was made. Has the Senator ascertained the reason?

Mr. BRISTOW. Well, yes; I think so. As I understand, the Senator from Mississippi says the reduction was made because the committee concluded that it could be made with safety to the industry.

Mr. BORAH. But that the industry would still be protected by this duty.

Mr. WILLIAMS. And also by the reduction we would collect a very good revenue, and perhaps an increased revenue by increasing the importations.

Mr. BORAH. In other words, it is what is called a "revenue producer," but is in fact protection.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. I do.

Mr. SMOOT. I want to say, in answer to the statement made by the Senator from Mississippi that this is a hothouse cultivation under a Republican tariff or system, that he must remember that under the Wilson bill, when the Democrats had the making of the tariff, they put a rate on cleaned rice of 1½ cents a pound.

Mr. BRISTOW. I have no objection to the duty or to the paragraph as it is framed. As I said in the beginning, I rose for the purpose of finding the basis upon which the reduction was made; and if the committee, from its examination, is right in assuming that such a reduction can be made with safety, I think it is a proper one to make. So I accept the statement of the Senator from Mississippi upon that subject.

I desire to say further that I believe that the Government has been thoroughly justified in imposing a duty upon imported rice for the purpose of developing the production of rice in our own country. I think the results which have come from such duties in developing the rice fields in Texas, in Louisiana, and in other portions of the southern section of the country have justified such a policy. I believe that such a policy should be maintained at a point as high as is necessary to preserve what we have and further encourage the growth of the industry; but if the duty of 1 cent a pound is sufficient, I am satisfied.

Mr. WILLIAMS. Has the Senate amendment been voted upon?

The PRESIDENT pro tempore. It has not. The Senator from Kansas has the floor.

Mr. BRISTOW. Before taking my seat I ask that there may be printed in the RECORD a statement prepared by the Senator from North Dakota [Mr. GRONNA] in regard to the production of rice in the various countries. It contains a great deal of valuable statistical information.

The PRESIDENT pro tempore. Unless there is objection, that order will be made.

The matter referred to is as follows:

RICE.

Canadian rates: Rice, uncleaned and unhulled or paddy, free; rice, cleaned, 75 cents per 100 pounds; rice flour, 1 cent per pound.

Imports 1912.	Pounds.	Value.	Revenue.
Cleaned rice.....	17,146,551	\$634,446	\$342,930.52
Rice, uncleaned.....	47,546,974	1,568,906	594,337.18
Rice, paddy.....	490,519	14,558	3,678.89
Rice flour and meal.....	116,556,683	1,967,276	291,391.82

Exports, 1912: Rice, 26,797,535 pounds, value \$851,402; rice bran, meal, and polish, 12,649,036 pounds, value \$118,985; rice hulls, value \$181,220.

Production of rice in 1911.

	Pounds.
In all countries for which statistics are available.....	174,404,983,000
United States, including Hawaii.....	682,870,000
Mexico (1910).....	124,900,000
Brazil (1910).....	184,704,000
Peru (1910).....	114,313,000
Italy.....	652,153,000
Spain (1910).....	287,303,000
British India.....	81,298,000,000
Ceylon (1909).....	320,000,000
China (1910).....	47,204,000,000
Chosen (Korea).....	3,200,000,000
Formosa (1910).....	1,329,000,000
French Indo-China.....	5,000,000,000
Japan.....	10,240,000,000
Java and Madura (1909).....	7,506,000,000
Philippine Islands.....	1,201,000,000
Russia, Asiatic (1910).....	363,000,000
Siam.....	6,824,000,000
Turkey, Asiatic (1909).....	137,230,000
Egypt.....	523,438,000
Madagascar (1908).....	953,000,000

Production in principal rice-growing States in 1912.

	Bushels.
South Carolina.....	200,000
Louisiana.....	11,812,000
Texas.....	9,423,000
Arkansas.....	3,405,000

Mr. SIMMONS. I wish to state that in 1909 there were only 610,125 acres in rice in this country. The Louisiana and Texas plantations had 553,104 acres of this, while the South Atlantic States of Virginia, North Carolina, South Carolina, Georgia, and Florida had an acreage in 1909 of only 27,000.

Mr. THORNTON. I wish to say that in Louisiana—and I understand the same is true all through Arkansas—the increase is becoming very marked. I know that in Louisiana there has been completed, just this year, a canal for irrigation purposes, without which we can not raise rice, at a cost of \$1,000,000, the capital for which, by the way, has been furnished entirely in the State of Pennsylvania. They have put in this year about 10,000 acres more; but when that canal is finished, which will be within a year or two, it will add at least 100,000 acres to the production of rice in Louisiana.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee to paragraph 197.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 53, line 18, to strike out all of paragraph 198, in the following words:

198. Wheat, 10 cents per bushel.

Mr. GRONNA. Mr. President, on July 23 I offered an amendment to this paragraph. The product with which the paragraph deals is one upon which there has been a great deal of discussion.

I realize that there is a difference of opinion as to whether or not the duty on wheat is of any benefit to the producer. I want to call attention to the fact, however, that when the reciprocity treaty was pending before this body we found almost unanimous opposition to it in the State which in part I have the honor to represent. The opposition was so strong, so pronounced, that the legislature of the State passed resolutions condemning that agreement, which provided for the placing of agricultural products on the free list. Not only that, but there has been testimony on the subject given to the Finance Committee of the Senate by delegations from North Dakota, South Dakota, and Minnesota. The delegation from my State was selected at a mass meeting where everybody interested participated. It was not a partisan meeting. Men from the different political parties were selected to go to Washington and enter their protest against that agreement. They were selected for their fitness, and not because of their affiliations with any political party. There were selected men who were known as Progressives and men who were known as "standpat" Republicans.

The members of the Finance Committee will remember that Mr. N. G. Larimore, one of the most honored citizens of my State, always a Democrat, appeared before the committee and entered his protest. Senators who were members of the Finance Committee at that time will remember the splendid arguments made by Hon. Treadwell Twitchell, Joseph M. Devine, and R. T. Kingman. Those three men are all farmers. The testimony of those men stands uncontradicted before the Senate. It was to the effect that on an average for at least four or five years the American farmer had been benefited to the extent of about 11 cents a bushel by the imposition of a tariff duty on wheat.

I have not heard anyone make the argument that when we produce more wheat than we can consume we expect to be greatly benefited by the tariff duty, because then, to a certain extent, the price of our product will be fixed by the world's price. But I make the statement—and I have made it on former occasions—that during the years when consumption has equaled or nearly equaled production the farmer has benefited by the tariff duty on wheat.

I have been criticized for a statement which I was supposed to have made on the floor of the Senate only a few days ago, that the farmers of my State would have lost \$15,000,000 on wheat during the last year if this bill had been in effect. Mr. President, I have made no such statement. The Record speaks for itself; and to be sure that I do not misquote the Record, I will read what I stated. I read from page 2977 of the CONGRESSIONAL RECORD under date of August 1:

Perhaps Senators on that side will deny that they have any grievance against the farmer, but I call your attention to the fact that in my State alone, where in 1912 we raised more than 143,000,000 bushels of wheat, with short crops in foreign countries, under the provisions of this bill our farmers would lose in a single year more than \$15,000,000 on wheat.

My attention has been called to a quotation of the price of wheat at Winnipeg, based upon a given grade and the prices at Minneapolis and Duluth for the same-named grade, but the facts are that the Winnipeg grade is a higher standard grade, as I shall show later on.

When I made some observations on the agricultural schedule a few days ago, I said I did not wish to go into that phase of the matter and discuss it at length. I had some new matters that I wished to present to the Senate to show that, with one or two exceptions, every commercial country in the world which produces within her own borders a sufficient amount of food-stuffs for her own consumption protects that industry as well as she protects her manufacturing industries.

I deny that the American farmer has received less for his wheat during the year 1912 or 1913 than the Canadian farmer, and when I make that statement I propose to follow it with proof.

I wish to call the attention of the Senate first to what was said in a speech made by a distinguished Member of the House from the State of Minnesota on Thursday, April 24, 1913. He said:

Gentlemen, we may disagree upon tariff rates; we may disagree upon tariff theories—you may be for protection, you may be for free trade, you may be for a tariff for revenue—but there ought to be no disagreement among us upon the proposition that, whatever rates are adopted, there should be no discrimination against any class of our people or against any section of our country. [Applause.]

I read further on from the same gentleman's speech, and I believe he is an authority on this question:

There were imported 2,684,381 bushels in 1912—

That is, of wheat—

and the Treasury of this country was enriched by tariff duties assessed thereon to the amount of \$352,245.46, more than a third of a million. During the same period from flour imported into this country we received in duties \$166,444.52.

I still quote:

Mr. Chairman, in view of this situation we did not care to deprive the Treasury of revenue. We purposed to make a deep cut anyhow. Wheat was not put upon the free list, but retained upon the dutiable list with a duty of 10 cents a bushel, a cut of 60 per cent in the rate. We believed that if flour were placed upon the free list the millers, who are now able to sell \$50,000,000 worth of their products in other countries, would be able to protect themselves here at home from foreign competition; but in order, as we thought, to silence any charge that we were indifferent to the welfare of the flour makers, we introduced in this bill two provisions favorable to the millers of the United States; first, the provision that wheat flour coming into this country from any country that imposed a duty upon American flour should bear a rate of duty of 10 per cent ad valorem, so the reduction on wheat is from the specific 25 cents to the specific 10 cents a bushel and on flour from the ad valorem 25 per cent to the ad valorem 10 per cent. Canada has a duty upon American flour of 60 cents a barrel. France has a duty upon American flour; Germany has a duty upon American flour. Nearly all of the European countries save England have duties on American flour, and wheat flour coming from any of these countries into the United States will pay a tariff rate of 10 per cent. But certain gentlemen say: "Do not you know that just the moment this bill becomes a law Canada, through her Governor General or some other official who has the power, with one stroke of the pen will strike out the duty now

imposed on American flour, so that Canadian flour may come into the United States?" No, Mr. Chairman, we do not know it, nor does anyone else know it, but those acquainted with the history of recent tariff enactments have good reason to believe that Canada will do nothing of the kind.

Mr. President, I have quoted from a speech made by a distinguished Member of the House and a member of the Committee on Ways and Means of the House, the Hon. WINFIELD S. HAMMOND, from the State of Minnesota. I indorse most of what Mr. HAMMOND has said. I disagree with him as to the so-called countervailing duty.

Wheat, which was in paragraph 198, has been transferred to pages 155 and 156, and it is now paragraph 646. It has been placed on the free list with a proviso for a countervailing duty.

If it so happens that Canada does not take advantage of the American market for her wheat, it will not be because the Canadian farmer does not want it. We know that the Canadian farmer has for years looked with hungry eyes upon the American market. So I say if Canada does not accept the invitation that we have extended to her, and which you extend in this bill, it will simply be because Canada believes in a protective system and wants to protect her manufacturing industries and fears the competition of the American miller.

Before I leave the provision for a countervailing duty I wish to ask the Senator from Mississippi [Mr. WILLIAMS] for information as to the proviso in paragraph 646, on page 155 of the bill. The paragraph places wheat, wheat flour, semolina, and other products of wheat on the free list, with a proviso which reads as follows:

Provided, That wheat shall be subject to a duty of 10 cents per bushel, that wheat flour shall be subject to a duty of 45 cents per barrel of 196 pounds, and semolina and other products of wheat 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat or wheat flour or semolina, or any other product of wheat, imported from the United States.

What I would like to know from the Senator from Mississippi is this. I am sure he has given it a great deal of attention. My opinion is that Canada can permit the admission of wheat free and still retain a duty on flour.

Mr. WILLIAMS. If so, that was not our intention, and I will explain to the Senator why I think that his construction is wrong.

Mr. GRONNA. I should like to hear the Senator on that point.

Mr. WILLIAMS. These are the words:

646. Wheat, wheat flour, semolina, and other wheat products: *Provided*, That wheat shall be subject to a duty of 10 cents per bushel, that wheat flour shall be subject to a duty of 45 cents per barrel of 196 pounds, and semolina and other products of wheat 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat or wheat flour or semolina or any other product of wheat imported from the United States.

So if they impose a duty on either one of them they can not take advantage of the countervailing duty. It is a disjunctive and not a conjunctive clear through.

Mr. GRONNA. I thank the Senator for the information. I am glad to know that if wheat is to be admitted free the products of wheat will also have to be admitted free; that one can not be admitted free without the other.

Mr. WILLIAMS. In other words, as long as they charge a duty upon our flour or on our wheat, either one, this proviso applies, or it applies if they charge a duty upon any product of wheat at all.

Mr. GRONNA. It has been my belief that Canada would take advantage of this provision and place her wheat and products of wheat on the free list.

I hope that I am mistaken in that belief, but at any rate it seems to me that it is not a wise policy for a great Government like ours to leave it to any foreign country to decide what the tariff rates or what the policy shall be in our country. I believe that it is a mistake.

I believe further that the Finance Committee should have accepted the House provision and placed a compensatory duty upon the products of wheat.

The amendment which I introduced a few days since provides for a duty of 12 cents a bushel. I am going to modify that amendment, Mr. President, with the consent of the Senate, because I have received information from a Senator who knows the true situation in regard to the cost of production both in Canada and in the United States, and I want to ask the Senator from Wisconsin [Mr. LA FOLLETTE] if he will not kindly give to the Senate the information which I refer to.

Mr. LA FOLLETTE. Mr. President, I have before me the most reliable data which it is possible to secure at this time as to the cost of producing wheat in this country, in Canada, and in Argentina. The sources from which this information comes are the Crop Reporter of the United States Department of

Agriculture; Bulletin 73 of the United States Department of Agriculture, entitled "The Cost of Producing Minnesota Farm Products"; the Census and Statistics Monthly, of Ottawa, Canada, for March 12, 1912; and Bulletin 27 of the United States Department of Agriculture, on Wheat Production in Argentina.

In addition to this, I had the benefit of all the data which the Tariff Board gathered upon this subject when it was in existence, and my conclusions are based upon the computations made by an expert formerly in the employ of the Tariff Board and recommended to me by the chairman of the Tariff Board as especially proficient and reliable in every way.

It should be stated, Mr. President, in this connection that the cost of production can not be ascertained with as great accuracy for agricultural products as it can be ascertained for manufactured products, because, as is well known, the bookkeeping methods of the farm are not always accurate, and in some cases estimates have to be relied upon.

Mr. WILLIAMS. And the weather conditions change from time to time.

Mr. LA FOLLETTE. That is true. The cost of production will vary with different years; but the data which I have cover a period that ought to give approximately reliable results.

For my own part I want to advocate the same measure of protection for agriculture, where it will protect all, that I advocate for manufactures. I do not want to go much beyond that, Mr. President, although I would feel justified in not urging the logic of the difference in the cost of production between this and competing countries for agricultural products to the same degree as I would for manufactured products. In maintaining the protective tariff system, through all the years that have passed upon the broad grounds of public policy, the farmer has been compelled to bear a disproportionate share of the burden of protection. He is now coming to a period when there is some prospect that he will secure a direct benefit from protection on his staple products. Now that there is this prospect, it is not just to him that these direct benefits should be taken away; and in making computations of the effect of the tariff upon the farmer's produce I feel justified in being, as I say, somewhat more liberal in his case than in the case of other lines of production that have long enjoyed direct tariff benefits.

To make this as brief as I can, Mr. President, I will simply give the summaries of my tables and, perhaps, later, if I pursue my present intention, I may discuss the whole agricultural schedule and go more fully into the cost of production, not only as to wheat but as to other products.

An examination into the costs of wheat production reveals a higher cost per bushel in one section of this country than in the competing section in Canada. The north central section west of the Mississippi River produces wheat at a cost per bushel of a little over 60 cents. That wheat competes directly with the wheat produced particularly in the Manitoba region. The cost of production of wheat in the Manitoba region is a fraction over 54 cents per bushel, so that there is a difference in the cost of production in those two sections that lie almost side by side of approximately 6 cents per bushel.

Mr. SIMMONS. Mr. President, will the Senator permit me to make an inquiry for information?

Mr. LA FOLLETTE. Certainly.

Mr. SIMMONS. I desire to inquire if in the Senator's estimate of cost in this country and in the Manitoba region of Canada account is taken of the difference in the value of the land in the two sections? Does that enter as an element at all in this calculation?

Mr. LA FOLLETTE. It does, Mr. President. I will give the items which have been noted in the table which I have before me. Commercial fertilizer is not taken into consideration except in the North Atlantic States of this country and in Nova Scotia. The preparation of the land, seed, seeding and planting, cultivation, harvesting, thrashing, the wear and tear of the implements, and land rental or interest are all taken into consideration. Land rental or interest would cover the question raised by the Senator from North Carolina.

Mr. President, according to the result of this investigation there is no wheat-producing section of this country that needs to be apprehensive of competition from Canada if a duty of 6 cents a bushel is levied on wheat. Indeed, as shown by this investigation, the cost of wheat production generally in this country is practically upon a level with the cost of wheat production generally in Canada. Competition with Argentina must, of course, be considered. The average cost of production there is approximately 52 cents per bushel. I have not at my command the transportation charge, which would afford some protection against Argentina wheat, but it is perfectly clear that if you are to give the farmer a fair competitive market, according to the interpretation of that term as I understand it to have been used here,

you would allow a protection of substantially 6 cents a bushel. In the interests of all that great producing section which is given over almost entirely to wheat production, and which is brought directly into competition with the wheat production of the part of Canada to which I have referred, a duty of 6 cents per bushel should be provided in this bill.

Mr. BORAH. Mr. President, I did not catch the cost of production in Argentina which the Senator gave.

Mr. LA FOLLETTE. Fifty-one and a fraction cents per bushel—nearly 52 cents. They produce wheat for nearly 10 cents a bushel less than we produce it in this country.

While I am on my feet, Mr. President, I am going to say just a word on the duties fixed on oats and on barley. The results of the investigation which I have caused to be made, based upon the same data and worked out by the same competent expert, show that the duty fixed on oats in the Senate bill measures almost exactly the difference in the cost of production between this country and Canada. The duty placed upon barley is relatively higher than the duty placed upon oats. A duty of 10 cents a bushel on barley would measure the difference in the cost of production to the farmers of that section of our country which requires a protection upon barley production; that is, the old Northwest section, taking in the Dakotas, Minnesota, and Wisconsin. That large area of barley production, according to the investigations which I have made, requires a protection of about 10 cents a bushel to measure the difference in the cost of production; so that the duty imposed on barley by this bill is, I believe, amply protective to the farmers of that section.

The duty imposed upon oats measures exactly the difference in the cost of production; and in like manner I sincerely hope that those who are responsible for the framing of this tariff bill will feel that they can in the case of wheat impose a duty of, say, 6 cents per bushel. When it comes to the consumer of bread, I do not think that by any process of reasoning or calculation such a duty will be found to have added a fraction to the cost of the loaf or of the sack of flour, and I do think that such changes will make the agricultural schedule on cereals harmonize. You will then have adjusted the duties on those three great products so that they will be on a competitive basis, and you will have removed a just cause for complaint as to this product.

Mr. STERLING. Mr. President, before the Senator from Wisconsin takes his seat, I should like to ask him if his estimate necessarily takes into consideration the greater production per acre on the new great wheat-growing lands in Canada?

Mr. LA FOLLETTE. Yes, sir; that is all taken into consideration. I can give the figures of the average production for those different countries, if it would be interesting to the Senator to have them.

Mr. STERLING. I would like to ask the Senator the further question: Does his estimate take into consideration the different conditions in regard to the acquisition of land in Canada in the great wheat-growing region and the conditions in the Dakotas, for example, and in Montana?

Mr. LA FOLLETTE. That is all covered under the item of land rentals and interest, and, if I understand the question of the Senator, is a substantial part of the calculation.

Mr. STERLING. The Senator from Wisconsin will understand, I think, that lands which are devoted to wheat growing are more cheaply acquired in Canada than they can be in this country at the present time.

Mr. LA FOLLETTE. I understand that; and that would be included, I think, in the allowance made for investments.

Mr. STERLING. Further, may I ask the Senator if in his estimate the same course was pursued in regard to the production of barley, oats, and flax, as was applied in regard to the production of wheat, and were the varying conditions between the two sections, this country and Canada, taken into consideration?

Mr. LA FOLLETTE. The statistics relating to the cost of production that I have referred to in what I have said have been worked out in the same way, and I should be perfectly willing to submit the tables and have them printed; and I expect to do so later.

Mr. STERLING. Yes; I hope the Senator may.

Mr. LA FOLLETTE. I will say, however, that I have not referred to the difference in the cost of producing flax, and I have not before me at this moment the data covering that matter.

Mr. BRISTOW. Let me inquire how many years this calculation covers?

Mr. LA FOLLETTE. It varies some. In some cases, for instance, in Lyon County, Minn., it covers the period of from 1902 to 1907. In the case of Canada they are for 1911; but some data which had been accumulated by the Tariff Board that

are not noted here were consulted. I should say that the calculations probably cover a period of several years.

Mr. BRISTOW. That would be very important, as the Senator will understand, because the weather and the conditions that obtain during the cropping season have a very great influence on the cost of producing a crop.

Mr. LA FOLLETTE. That would have a very great influence in localities, but when you cover the production of a great group of States, when you take in the production of Canada, especially in the great Manitoba section, the variable weather conditions in localities balance and offset each other and are not so important.

Mr. BRISTOW. Take the cost of producing corn. This year, for instance, in the States of Kansas, Missouri, Nebraska, and Oklahoma, because of weather conditions, it will be very much greater than it was last year.

Mr. LA FOLLETTE. Oh, yes; there is a section there which is at present suffering from a severe drought.

Mr. STERLING. From the investigation made by the Senator, is he able to state the average yield per acre in Canada as compared with the average yield in the Dakotas?

Mr. LA FOLLETTE. Yes, sir. The average yield of wheat per acre for 1909 on the farms in the United States covered by the investigation of the Department of Agriculture was 17.2 bushels; for the North Atlantic States, 20.7 bushels; for the North Central west of the Mississippi River, 15.8 bushels; 12.59 bushels for Lyon County, Minn., where statistics seem to have been ascertained for a period of years and reported in one of the bulletins of the Agricultural Department; 22 bushels per acre for the whole country of Canada as against 17.2 bushels for wheat production on the farms covered by the Agricultural Department's investigation. For the Nova Scotia wheat-producing district the yield was 21 bushels per acre; for the Manitoba wheat-producing district it was 21 bushels per acre; for Argentina in 1902 and 1903 it was 15.98 bushels per acre.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I do.

Mr. BORAH. Do I understand that the statistics of the Senator from Wisconsin show the average production of wheat throughout the United States to be 17 bushels per acre?

Mr. LA FOLLETTE. Yes, sir; they do.

Mr. BORAH. May I ask from what source those statistics come?

Mr. LA FOLLETTE. From the Crop Reporter of the United States Department of Agriculture and is the yield per acre reported by the same agents who gathered the cost figures I have used.

Mr. BORAH. The reason why I asked the question was that I have seen it repeatedly stated—I remember one statement in particular—that the average yield of wheat throughout the United States now is a little over 14 bushels per acre.

Mr. LA FOLLETTE. Yes; but this is in fact the average yield for the particular farms covered by the special investigation of the Department of Agriculture.

Mr. BORAH. May I ask if the Senator has the average yield per acre of European countries in the production of wheat?

Mr. LA FOLLETTE. No. This investigation covers only Canada, Argentina, and the United States.

Mr. CRAWFORD. Mr. President, if the Senator will permit me there, did the Senator use the figures that were reported by the Tariff Board in regard to the production per acre?

Mr. LA FOLLETTE. Those figures were in the possession of the experts who were doing this work for me, and were taken into account.

Mr. CRAWFORD. I find from some figures which I used in investigating this question once before, and in which I quoted from page 94 of the Tariff Board report, that according to that report the average yield of spring wheat per acre in 1910 in the United States was 11.7 bushels. That was spring wheat, as I say. In Canada, for spring wheat, it was 15.53 bushels. In the case of winter wheat, in the United States the average yield per acre was 15.8 bushels, and in Canada 23.49 bushels. That is found on page 94 of the Tariff Board's report.

Mr. LA FOLLETTE. I have not the winter wheat and the spring wheat separated here; nor have I the report for the same year that the Senator produces.

Mr. CRAWFORD. This is 1910.

Mr. BRANDEGEE. Do the figures that the Senator from Wisconsin has just given, stating that they come from the Crop Reporter, come from the Crop Reporter of 1912, or what is the latest number?

Mr. LA FOLLETTE. Nineteen hundred and eleven.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I do.

Mr. SMOOT. In looking at the Statistical Abstract of the United States as to the yield per acre of wheat in the United States, I find that in 1908 it was 14 bushels; in 1909, 15.8 bushels; in 1910, 13.9 bushels; in 1911, 12.5 bushels; and in 1912, 15.9 bushels. That is as the abstract gives the figures.

Mr. GRONNA. Mr. President, I shall occupy the time of the Senate for only a few minutes further. I wish to thank the Senator from Wisconsin for the valuable information he has furnished the Senate. As I said a few moments ago, I shall modify my amendment in accordance with the figures which the Senator from Wisconsin has stated to represent the difference between the cost of production in foreign countries and in the United States.

I said a few moments ago that I would furnish the Senate with some information in regard to the present prices of wheat in the United States and in Canada, but I have drifted away from that. I feel that I ought to present the information I have for the benefit of the Senate.

I thought I knew, or was reasonably sure, that the Canadian farmer received no more for his wheat, quality against quality, than the American farmer. Of course we know that Canada had a surplus of wheat, for she raised about 200,000,000 bushels in 1912, and having only about 8,000,000 population she can not possibly consume over 50,000,000 bushels, or one-quarter of the crop. So it is obvious that three-fourths of the crop must be exported. It is true that with a crop of 730,000,000 bushels in the United States we are this year exporting wheat, more wheat than we have exported for a number of years.

Referring again to the price, I want to read a letter from a gentleman who deals in bonded wheat, Canadian wheat. He has a small elevator near the boundary line at a place called Sables, N. Dak. The name of this man is George McLean. He says:

I suppose they will refer to the Canadian markets, which will show, if anything, a higher price than ours during the last year; but it is not true that the Canadian farmer gets a higher price for his wheat than the American farmer. Last season I handled a lot of Canadian wheat in bond. It was graded at Duluth by a Canadian inspector. Without looking my books over, I would judge that 10 per cent of it graded No. 3, none higher; 40 per cent No. 4, and the balance a lower grade, which I feel sure would average from 15 to 18 cents lower than the same wheat sold for on this side.

This letter is from a gentleman who lives in an American town where American wheat is sold, but, of course, he buys exclusively Canadian wheat.

I wrote a letter to a firm in Duluth on this subject. While I do not like to give the names of concerns engaged in the business, I feel that perhaps I should do so, because otherwise it might be thought that the letter was anonymous. I wrote a letter to McCabe Bros., grain merchants, Duluth, Minn., and I have their reply under date of August 6, 1913. The letter says:

We have your favor of August 4, which reached us to-day, and note your inquiry in regard to the Winnipeg quoted prices on wheat being higher than Minneapolis and Duluth for almost a year. We note what you say about Canada not having produced sufficient 1 and 2 northern wheat last year to meet their home requirements.

In reply would state we handled last season quite a large percentage of 2 northern wheat and some 1 northern, but our receipts were largely 2 and 3 northern wheat, with a fair amount of No. 4. We sold quite a large amount of this wheat during the months of March and April to be delivered in Duluth or Superior with the opening of navigation. We sold the 2 northern wheat on the basis of about 2½ cents under the quoted price of Winnipeg May wheat. The 3 northern we sold largely at 6 cents under the quoted price of Winnipeg May, although we sold some at a closer amount of No. 4 wheat at 8½ and 9 cents under the quoted prices of May wheat.

We give you this information so as to help you to understand the situation. The contract grade in Winnipeg is 1 northern wheat; 2 northern applies on contract at 3 cents discount and 3 northern at 8 cents discount. No other of the lower grades apply on contract except so specified, but the rules of the Winnipeg exchange make the difference that 2 and 3 northern apply on future contracts. You can see by the difference that we have given you that the foreign markets were taking the off grades—that is, the 3 northern and No. 4—at really closer differences than what the contract prices were calling for, especially on the 3 northern.

The real cause of the Winnipeg prices being above the American prices—that is, above the Minneapolis and Duluth prices—is that the Canadian grades are a higher standard than the Minnesota grades. The Canadian 2 northern would largely pass without any question as the Minnesota 1 northern, and quite a percentage of the Canadian 3 northern would pass as the Minnesota 1 northern. The foreign buyers take the Canadian 3 northern wheat pretty much on the same basis as they do the Minnesota 1 northern. Of course they usually take the Minnesota 1 northern in preference, but not at very much of a premium; so this largely explains why the Winnipeg prices are above Minneapolis and Duluth prices, their standard of grades being considerably higher than the Minnesota grades.

The question of Canada not producing sufficient 1 and 2 northern wheat to meet their home requirements is really not true, as large amounts were exported, and the Winnipeg market has been more or less manipulated with the last end of the crop; 3 northern has been going at 8 cents the full difference under the 1 northern, and No. 4 has been at a very heavy discount under the 3 northern, which is

largely the cause of manipulation, only the higher grades applying on open contracts. The present prices for spot wheat in Winnipeg, we consider, is largely a question of manipulation, as we believe it is above an export basis; but, as stated, throughout the shipping season the Canadian wheat would sell at fair premiums over the Minnesota grades for export.

We hope we have made the matter quite plain to you, and if you desire any further information please write us, and we will be glad to go further into the question, as the situation does change from year to year and shows different conditions to confront.

I knew that Canada produced a sufficient amount of No. 1 wheat to supply at least her own market, but I wrote my letter in order to bring the answer which I received.

That shows, quality considered, that the Winnipeg or Canadian farmer has not received a higher price for his wheat than the American farmer. The Minnesota grade is made by a board of inspectors appointed by the governor of that State. The grades are not made or fixed arbitrarily by any board of trade, as is being done in Winnipeg.

Referring again to the reciprocity treaty, I want to say that the men who appeared here before the Finance Committee presented what I think were facts which showed conclusively that in certain years, when consumption equaled or nearly equaled production, the American farmer had received some benefit from the duty on wheat. The Senator from Mississippi [Mr. WILLIAMS] was then a member of that committee, as he is now, and I think he will bear me out in my statement. As I said, we had a delegation from our State consisting of Joseph M. Devine, Treadwell Twitchell, R. T. Kingman, ex-Gov. Searles, and Mr. N. G. Larimore. Minnesota sent a delegation here, one of whom was Mr. P. V. Collins, who, while he is the publisher of a newspaper, is also a farmer, and is, I believe, well qualified to speak for the farmers. He testified to practically the same thing that the North Dakota farmers testified to. Col. Wilkinson, a man of excellent ability, who for many years was chief counsel for the Great Northern Road and who is now a farmer, appeared before the committee, and his testimony was, in substance, that if that agreement should go into effect the farmers of the two Dakotas and Minnesota would lose in a single year \$40,000,000. Those who know Col. Wilkinson will not say he is apt to make any rash statements.

I make these observations simply to show that what I have stated in the Senate has been based upon an honest belief, and not for the purpose of manufacturing anything either for home consumption or to mislead anybody in this country. I may be mistaken in my conclusions, but I am sincere in my belief that it will be a mistake to adopt an industrial policy that will place the basic necessities of life, the articles of food, upon the free list.

I have said on this floor on former occasions—and I think perhaps the Senator from Mississippi and I agree on that more so than many of the other Senators in this body—that I do not believe we can maintain a half-hearted policy. If we are going to have free trade in certain industries, I believe the ultimate result will be that we must extend free trade to all the industries of this country. The duty which has been levied upon barley in the pending bill, I am free to admit, is a protective duty. It gives the farmer a protection to the extent of 15 cents per bushel. The same is true with regard to flax, but most of the articles produced on the farm are placed on the free list.

The industrial conditions are such that this country can not hope to succeed on the half-hearted policy of half free trade and half protection.

Mr. President, I have taken more of the time of the Senate than I expected to do, but before I take my seat I wish to ask unanimous consent to have published in the RECORD in connection with my remarks a table which treats on the question of wheat.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Senator from North Dakota asks unanimous consent to print as a part of his remarks a certain table on wheat. Is there objection? There being no objection, it is so ordered.

The matter referred to is as follows:

WHEAT.

Canadian rates: Wheat, 12 cents per bushel; wheat flour, 60 cents per barrel.

Payne rates: Wheat, 25 cents per bushel; wheat flour and semolina, 25 per cent ad valorem.

Dingley rates: Same as Payne rates.

Wilson rates: Wheat, 20 per cent ad valorem; flour, 20 per cent ad valorem.

Imports, 1912.	Quantity.	Value.	Revenue.
Wheat.....bushels.....	1,408,982	\$988,014	\$352,245.46
Wheat flour.....barrels.....	160,197	665,778	166,444.52
Semolina.....pounds.....	84,868	1,725	431.25
Wheat screenings.....		231,083	23,108.28

Exports, 1912: Wheat, 30,160,212 bushels; value, \$28,477,584. Wheat flour, 11,006,487 barrels; value, \$50,999,797.

Wheat production in 1912.

Bushels.

In all countries for which statistics are available.....	3,759,533,000
United States.....	730,267,000
Canada.....	199,236,000
Argentina.....	166,190,000
Austria-Hungary.....	257,347,000
Bulgaria.....	45,000,000
France.....	334,871,000
Germany.....	160,224,000
Italy.....	165,720,000
Roumania.....	88,924,000
Russia in Europe.....	628,728,000
Russia in Asia.....	103,288,000
Spain.....	109,783,000
United Kingdom.....	59,409,000
British India.....	366,370,000
Australia.....	73,894,000

Production of principal wheat-growing States in 1912.

Pennsylvania.....	22,320,000
Ohio.....	9,760,000
Indiana.....	10,080,000
Illinois.....	9,812,000
Michigan.....	7,000,000
Minnesota.....	67,038,000
Iowa.....	12,850,000
Missouri.....	23,750,000
North Dakota.....	143,820,000
South Dakota.....	52,185,000
Nebraska.....	55,052,000
Kansas.....	92,290,000
Texas.....	11,025,000
Oklahoma.....	20,096,000
Montana.....	19,346,000
Colorado.....	10,968,000
Idaho.....	14,566,000
Washington.....	53,728,000
Oregon.....	21,018,000

International trade in wheat and wheat flour, 1911.

	Wheat.		Wheat flour.	
	Exports.	Imports.	Exports.	Imports.
	Bushels.	Bushels.	Barrels.	Barrels.
Argentina.....	83,993,460		1,332,726	
Australia.....	55,147,840		1,794,805	
Austria-Hungary.....	15,160	4,901,024	122,422	
Belgium.....	22,723,350	82,191,689	750,100	47,409
Brazil.....		16,933,027		1,645,630
British India.....	52,603,245		581,064	
Bulgaria.....	11,121,995		755,907	
Canada.....	60,474,020		3,542,124	
China.....				1,485,063
France.....		78,755,778	192,539	155,405
Germany.....	11,390,400	91,429,660	1,820,238	172,035
Italy.....		43,300,144		
Netherlands.....	46,170,743	58,569,927	190,584	2,241,574
Roumania.....	67,658,882		455,452	
Russia.....	144,795,697		1,354,580	
Spain.....		6,764,525		688
Switzerland.....		16,142,122		515,082
United Kingdom.....		182,352,177	802,259	5,081,535
United States.....	32,668,615		11,258,030	

Mr. WALSH. Mr. President, in the course of some remarks which I had the honor to address to the Senate a few days since I was interrogated by my esteemed friend the senior Senator from South Dakota [Mr. CRAWFORD] in relation to the significance of certain figures which he quoted, said to have come from the report of the Tariff Board, showing a disparity during the year 1910 between the prices of wheat and barley in the Province of Saskatchewan and in the State of Montana, the advantage being in favor of the Canadian Province.

The inquiry was quite aside from the line of argument which I was then pursuing. I have not since had an opportunity to examine the figures. I made inquiry at the document room, and was informed that no report had been made by the Tariff Board upon the agricultural schedule. The Senator, however, has been kind enough this morning to call my attention to the source of his figures. I shall probably address myself to them a little later on.

I take this opportunity, however, Mr. President, of saying that no just deduction, as a matter of course, can be drawn from any disparity that may exist between prices in this country and a Canadian Province in any one single year, because in every famine year—that is to say, in every year in which the production in our country falls below the normal—there will obviously be an advantage in favor of our producers. So it signifies nothing, even though in price the disparity did exist on the occasion referred to.

Much of error follows from arguments based upon statistics applicable to a single year. Thus you will observe, if you go back a year or two, that there was a deficiency in our production of oats, and there was consequently a very large importation from the Canadian Provinces. Every year in which you find the importation to have been great, on turning to the record of production you will find that it was low here.

This matter received some consideration in the course of the debate upon the reciprocity question from the junior Senator from the State of Michigan [Mr. TOWNSEND]. I shall take the liberty, with the permission of the Senate, to read in this connection from a speech delivered by him in the Senate on the 27th day of June, 1911. He was combating the idea that the farmer would lose anything whatever by the free introduction of wheat from Canada to this country, and he was meeting just such figures as have been offered by the esteemed Senator from South Dakota [Mr. CRAWFORD] and the distinguished Senator from North Dakota [Mr. GRONNA], to whom the Senate has been listening. He said:

During the last 19 years wheat has fluctuated in price in Canada and in the United States. In 1890, 1891, 1897, 1899, 1902, 1903, 1904, 1905, 1906, 1907, and 1909 wheat was higher in the United States than it was in Winnipeg. In some of those years the difference was negligible. During the years 1892, 1893, 1894, 1895, 1896, 1900, 1901, and 1908 wheat was higher in Winnipeg than it was in Chicago. This shows that during 11 of the last 19 years wheat averaged higher in the United States than it did in Canada, and during 8 of those 19 years it averaged lower in the United States than in Canada. Now, if we apply the standard heretofore mentioned and say that the United States farmer would have lost on his wheat during the designated 11 years when wheat was higher in the United States than it was in Canada, if the United States tariff had been removed, shall we not be obliged to apply the same doctrine, per contra, and assert with equal certainty that he would have gained during the 8 years when wheat was higher in Canada than it was in the United States if the Canadian tariff had been removed?

The senior Senator from North Dakota [Mr. McCUMBER] invited the attention of the Senate some time since to the fact that for the last year or two wheat has ruled higher in this country than in Winnipeg. I, on my part, invited attention to the fact that for the last three or four months the ruling prices have been very considerably higher in Winnipeg than they have been in Minneapolis, Duluth, or Chicago.

But, Mr. President, there is another consideration in connection with this matter to which we may very properly devote our attention. It is asserted quite confidently by gentlemen now and then that whenever the tariff is removed, the price being assumed to be lower in Canada than in this country, our prices must necessarily fall to the Canadian level. That, as a matter of course, no one will care to assert who gives serious consideration to the question at all.

If you take two vessels, the one of very great capacity and the other of very inferior capacity, the level in the latter being the higher, and allow the water to flow freely from the one into the other through a pipe connecting them, who will assert that the level in the vessel of greater capacity will ascend to the original level of the one of lesser capacity? As a matter of course, the ascent in the one case and the descent in the other will be proportioned generally inversely to the relative capacity of the two vessels.

So, Mr. President, the production in this country being vastly greater in all cereals than that of Canada, even though a reduction would ensue, it would not by any means reach the level of the lower Canadian price, assuming it to be lower generally.

That idea was very forcibly and trenchantly expressed in the course of some debate by the senior Senator from the State of Ohio [Mr. BURTON], whose words I take the liberty to quote as they are found in the report of the debate on the 5th day of July, 1911. He said:

One fallacy which has received strong support in the debates upon this proposition is the claim that when prices are lower in a contiguous country free interchange will result in a fall to the same level of prices in the larger country across the boundary line. But quite to the contrary, in such cases there is an inevitable tendency toward an average of prices determined by the relative supply in the two countries. Take, for example, the case of wheat. The production in Canada for the year 1910 was 150,000,000 bushels; the United States produced 737,000,000 bushels, or very nearly five times as much. The aggregate production of the two countries is an essential part of the world's supply, nearly one-third of the world's entire production. The removal of the barriers between the two countries must mean a like scale of prices in the two countries. If the Canadian price is lower, it will rise very nearly in the inverse proportion which it bears to the total product of the two countries—five-sixths in the United States and one-sixth in Canada. That is, if wheat is 12 cents higher in the United States than in Canada, her price will be increased five-sixths of the difference, or 10 cents, while ours will be lowered only one-sixth, or 2 cents.

Exactly the same idea, Mr. President, was likewise expressed by the distinguished Senator from Michigan [Mr. TOWNSEND], whose words I had the honor a while ago to quote, in the following language:

But, Mr. President, the opponents of this measure base their prophecies of disaster to the farmers upon the proposition that Canadian prices are lower than United States prices, and wheat is the overworked item of illustration. Now, I can see no good reason for arguing that because prices are higher in one country than they are in another therefore the country of higher prices will be injured by a removal of duties. Some have also contended as though it was the business of the Government to insure selling prices. When before did the advocates of protection ever publicly announce that a tariff was inaugurated to increase prices? When infant industries which ought to have been established in this country were seeking to establish themselves it was the policy of the Republican Party to afford protection against the stronger and

better organized institutions abroad, and under those circumstances the Government was properly generous, but when such industries here have become established, then no one has intelligently urged that a duty should be retained for protection except in cases where, by reason of higher wages paid and other greater legitimate expenses incurred, the cost of production to our producers was materially greater than the cost to our competitors, and I at least have always had in mind that this system would induce competition among our producers which would eventually cheapen products to the consumer. And it has done so.

In other words, I have believed, and I still believe, that we should protect those, and only those, of our home industries which should exist here in which the legitimate cost of production is materially greater than it is with their competitors, and then only to the extent of the difference in such cost, and this means that cost and not selling price is the basis for fixing tariffs.

Likewise, Mr. President, the very distinguished and able senior Senator from the State of Iowa [Mr. CUMMINS], whose discussion of these matters is always illuminating, said in the course of the same debate that there was something about the breadstuffs of a country which forbade that the prices of such should be raised by the imposition of any duty. For accuracy I quote his language. On the 28th of June, 1911, he said:

Mr. President, I differentiate very sharply between what will probably happen and what ought to happen, but I think it is probably true that there is something that clusters around the foodstuffs of a country which precludes raising their price materially by means of a tariff.

Although I was unfortunate in not hearing all the remarks made this morning by the distinguished Senator from the State of Wisconsin [Mr. LA FOLLETTE], I gathered from him that he entertains exactly the same idea, and that although he is in favor of the imposition of a duty of 6 cents a bushel upon wheat, it is not in the hope or expectation that it will elevate the price to the farmer, but rather that it is in the nature of what has been sometimes called a sentimental tariff, which would disarm opposition which might otherwise be engendered against the bill.

Therefore, Mr. President, it does not seem to me to follow at all, because there should be some disparity between the prices of cereals in this country and in Canada, that a tariff is necessary or that it will do the farmer one iota of good.

Mr. CLAPP. Mr. President, the remarks of the Senator from Montana [Mr. WALSH], who has just resumed his seat, will form the text for some remarks that I desire to make upon the subject of tariff revision.

I shall not at this time discuss the pending bill at any length. The situation in which we find ourselves with reference to the subject of wheat suggests to my mind that it may be proper to say something on this floor which may go to the country at large and possibly have some effect, because it is one of the striking peculiarities of this situation that almost every Senator who has addressed the Senate upon this tariff bill has practically admitted that nothing he could say would have any effect upon the bill itself. That is either an admission of the inability of the Senators to frame an argument which will command respect or it is an admission of a condition that makes a farce of debate, no matter how thoroughly equipped the debaters may be upon the subject under consideration. It is about that in connection with this very wheat schedule that I propose to say something this afternoon.

First, it is important to consider the character of legislation which is the subject of the discussion. There was a time in this country when there were three views upon the tariff. One was of a protective tariff, the other was free trade, and the other was the theory of a tariff for revenue. Primarily and early in the history of the controversy in this country the expression "a tariff for revenue" was used with reference to a duty upon those things which the country did not produce and consequently the tariff could afford no protection to it. A duty upon tea or coffee would be a strict revenue tariff.

Sir, in view of all that has been said as to a protective duty being a burden, there perhaps was some justification for the original idea of a revenue tariff, because under a strict revenue tariff placed upon those articles which were not produced here no one derived a benefit from that duty save the Government, and while it brought in by indirection revenues more likely to be squandered with a lavish hand than those revenues brought directly from the pockets of the taxpayers, it perhaps was justifiable.

In the course of time that great body of our people who denounced protection discovered that the protective policy in some form had got to be recognized in this country, and so there was a shifting from the original theory of a tariff for revenue upon noncompetitive articles to the placing of a revenue tariff upon competitive articles with incidental protection.

Sir, I have no hesitation in saying that that is a system absolutely indefensible, absolutely vicious, and for this reason: Every man, whether he be Republican, Progressive, or Democrat, must admit that to-day under the trust condition of this country, differing from what it was when there was competi-

tion in the country, a duty placed upon competitive articles is carried into the articles produced behind the protective wall. That being true, then, under that theory, a revenue tax is a tax where the Government gets \$1 and some private individual under the protection of the tax itself gets somewhere from \$5 to \$10. The estimates upon that subject, of course, differ.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. CLAPP. Certainly.

Mr. SHIVELY. Does not that characterize only in an exaggerated degree any purely protective duty?

Mr. CLAPP. It does, sir; and that is the very point I am coming to, that either you must justify protection as a separate, direct, economic proposition or you must reject it in toto.

Mr. President, I will illustrate what I am saying of the iniquity of a revenue tariff covering articles of competition, and from now on, that I may not have to repeat, where I speak of a revenue tariff I shall speak of the modern idea of a revenue tariff placed upon competitive articles.

Last summer, I think it was, the gentleman who was conducting Mr. Taft's campaign issued a statement to the people of the country in which he showed the total amount of tariff revenue received at the customhouses of the Nation. I do not just recall the figures. It seems to me it was about \$500,000,000, which, divided by the accepted population of the country, left something like \$7 or \$8 to each individual; and he closed that statement with the suggestion, "Is there any patriotic citizen who would object to contributing seven or eight dollars a year toward the unparalleled prosperity of the United States?"

Every Republican, every Progressive, and every Democrat ridiculed the idea that a man in this day and age could force upon the American people a belief that the only tax they bore by reason of a protective tariff was the tax paid at the customhouses. His statement was attacked from one end of this country to the other, and especially by our Democratic friends, and justly attacked. It was, sir, almost an insult to the intelligence of the American people to try to make an American citizen to-day believe that his only contribution under the protective tariff upon competitive articles, and they must be competitive if they are protected, is the little paltry sum that is collected at the customhouses.

Four years ago, I think it was, sitting here in my seat, I listened to an argument from the lips of the senior Senator from Georgia [Mr. BACON], in which he went on and gave the figures to show the vast sum that private individuals and corporations collected from the people through a protective tariff as against the small sum that the Government received from the protective tariff at the customhouse.

Now, that being true, Mr. President, it does seem to me that unless you recognize protection as a basic principle it is absolutely indefensible to tax the American people under a system where the Government gets only about one dollar from every six or seven dollars; and I commend the sentiment of the Senator from North Dakota [Mr. GRONNA] that sooner or later we have got to accept one horn or the other of this dilemma.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. CLAPP. With pleasure.

Mr. WILLIAMS. Does not the Senator from Minnesota recognize the fact that it must be later, and materially later? In other words, does not the Senator from Minnesota recognize, as a man of common sense, that although every line of what he has said is right, and although it is absolutely indefensible to have a tax system under which a part of the profits of the tax goes into the private pockets of individuals, nevertheless, having found a false and artificial condition to be amended and to be cured, no man of common sense would undertake to cure and amend it over night? In other words, if a man lived in an old house, a bad one, and wanted a new house, he would not blow up the old house with dynamite regardless of the inhabitants in it, but would, little by little, build a new house in place of the old one.

Mr. CLAPP. Yes; but while he is doing that—

Mr. WILLIAMS. Now, one word more.

Mr. CLAPP. I will wait.

Mr. WILLIAMS. Does not the Senator recognize that even if the fight must ultimately come between free trade and protection, or protectionism as I prefer to call it, that fight can not come right now, and that it is absolutely impossible to have a logical principle running through a bill which is an amendment of the present existing heterogeneous fiscal laws of the United States.

There is one more thought to be added to that. The Senator is very right in saying that a purely free-trade bill is a bill to lay import duties only upon noncompetitive articles; that a purely protectionist bill is a bill that puts duties only upon competitive articles, and that everything between those two is neither the one nor the other, whatever else it may be; and he is perfectly right in saying that in the early history of this country when we were a few little undeveloped States on the Atlantic coast there was a possibility of raising revenue by putting duties entirely upon noncompetitive articles, but to-day, stretching, as we do, from the Arctic nearly down to the Tropics, with California added, and Florida and all the balance of this great country from the Atlantic to the Pacific coast, we could not, to save our lives, find enough articles that were noncompetitive upon which to raise the amount of money that the Government needed. There is nothing that is noncompetitive with something we grow or make except the products of the Tropics, not even of the semi-Tropics, and perhaps a few furs from the far North.

Mr. CLAPP. The Senator has saved me considerable time, because the next step in my argument was to demonstrate that everyone to-day recognizes the necessity under one guise or another for a protective tariff. But before reaching that I want to take up the Senator's illustration of the house. Surely the man ought to remain until he has another, but he ought not to take the old house as something that he can put before his neighbors as a necessity for help from them to build a new house when he is abundantly able to build a new house.

My objection to cloaking yourself behind the revenue-tariff proposition is that the man who stands out boldly for a protective tariff stands in the open, and if he goes too high, he can justly be condemned as sustaining a monopoly, while the man who is in the twilight zone of tariff for revenue may consciously or unconsciously—and I do not charge that it is all consciously done—but he may, he is prone, to insist upon duties that he otherwise would not insist upon if it were not that he is behind the shield of tariff for revenue.

There is something in the whole system of tariff itself that makes men cowards and which tends to dishonesty; and there is no phase, in my judgment, of the tariff situation that is so apt to produce that condition of mentality as for a man to shelter himself behind the shield of tariff for revenue. The man who stands for tariff protection stands out where you can attack him and attack his motive if he goes too high, but the man who stands for tariff for revenue, whether his motive be good or bad, his motive is beyond the reach of attack.

Mr. President, returning to what I said of the remarks of the Senator from Mississippi to-day, whether you call it tariff for revenue, protection, or whatever you call it, I think every man concedes that, for the time being at least, tariff bills must be framed with reference to their effect as protection, as declared in the Democratic national platform, "so framed as not to disturb business." There could be but one conclusion drawn from that declaration, and that was, call it what you may, the tariff would be so framed that it would not strike down an industry that could not stand without it.

It goes without saying—and certainly no Democrat will controvert the statement—that without any declaration whatever they stood against raising a duty where it was unnecessary to raise it. If that statement is correct, and I believe it is, it can be shown from the declarations of Democratic Senators; it can be shown by the very question which the Senator from Mississippi asked me; it can be shown by the Democratic platform. If that statement is correct, then I submit, Mr. President, that it follows by the sledge-hammer logic of sequence that a tariff bill should be framed in a spirit of justice to all sections of this country. We have become so large, our interests are so numerous, our climatic productive conditions are so varied, that any bill framed in a spirit of justice and fairness must be framed with reference to the interests of the entire country. I do not believe any man will dispute that proposition.

The next proposition I make goes directly to the fundamentals of democracy, not only as a principle, but also as voiced by the party which has that name. Mr. President, no matter how good I may be, no matter how kindly disposed I may be, in that association called government the only way that you can get your just recognition is to have a voice in that equation.

That is fundamental, and no man can get away from it; it is democracy as a principle, and it is democracy as a political declaration.

This being true, I undertake to say, sir, that the system which has prevailed in the past—and surely no man can charge me with partisanship to-day, for I stood by this same desk and denounced this same system four years ago—the system which has prevailed and does prevail to-day is undemocratic con-

sidered from the standpoint of the principle of government or the attitude and declarations of a political party.

Mr. President, no matter how good or how pure the motives of the Senator from Maine [Mr. JOHNSON] may be, in order that the State of Wyoming shall have her fair distribution in the benefits of the association of government it must be admitted that Wyoming must have representation in that distribution. It is no reflection upon the Senator from Maine; it is based upon the eternal principle that, in the inherent weakness of human nature, the only way that men can have their rights is to be clothed with power in the distribution of the benefits of the association from which the rights are derived.

If that be true—and I do not believe any Senator here will gainsay it—let us take and analyze the genesis of a tariff bill, whether it be the Payne-Aldrich bill or the pending bill. A party makes a declaration. The Republican Party in 1908 declared in favor of a tariff that should measure the difference in the cost of production between this country and abroad.

Mr. WILLIAMS. Plus a profit.

Mr. CLAPP. Plus a reasonable profit, which meant absolutely nothing, because both men, if they remain in business, must somewhere secure a reasonable profit. Why that was put there the Lord in his infinite wisdom only knows, for if there ever was an absolutely meaningless expression it would be in an economic discussion to say that each person must be entitled to a reasonable profit. Men will not continue long in business without it.

Mr. SHIVELY. Mr. President, was not that declaration in favor of a reasonable profit plus all the costs of the difference between production at home and abroad the real substance of that plank of the Republican platform?

Mr. CLAPP. Well, that is just what I am going to discuss, that the American people never clothed former Senator Aldrich nor any two or three Senators with the authority to say what that plank was. They sent a number of men to this Chamber to interpret that plank. That plank was adopted; it was the voice of a great political party. We come into the Senate Chamber here with a proposed tariff bill, and what do we find? We find the chairman of the appropriate committee—who in that instance was a Republican chairman and in this instance a Democratic chairman—gathers a few of "the faithful" about him, who finally agree practically on a tariff bill. Then he must have a majority of the majority side of the committee, and he must give something here and there to get that.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. CLAPP. Certainly.

Mr. SHIVELY. Who does the Senator from Minnesota mean when he says "a few of the faithful"? That is a very vital point in the discussion.

Mr. WILLIAMS. We submitted this bill to all the faithful in caucus.

Mr. CLAPP. Oh, I will get to the submission, and I will describe the bloody encounter there the night their own caucus was held, when I looked in vain for an ambulance corps. I mean by "a faithful few" one of two conditions, either those who are bound so closely to the chairman as to be coordinated with him in sympathy, or those who in their environment may be forced to a coordination of sympathy and purpose with the chairman. The chairman gets this handful, with here and there a sacrifice of something to some individual; he finally gets a majority of the majority, consisting, perhaps, of six or seven Senators, and, lo and behold, the party has spoken! The party pledge as interpreted by five or six men must be kept at every hazard. Of course, getting this majority of the majority brings the majority side into line, and from that time on there is no more question; to cross a "t" or to dot an "i" is party treason.

Then a caucus is sometimes held. Four years ago the grip of Senator Aldrich upon this organization was such that he did not even tender us the compliment and farce of a caucus, having sufficient power in the committee to make that dominating as a party measure; but sometimes caucuses are held.

Mr. SMOOT. We never held caucuses.

Mr. CLAPP. Well, there has not been a caucus, I think, among the Republicans for some time. I would not attend a cut-and-dried caucus of any party. Much as I prize my seat in this body, I will never consent to sacrifice the convictions, the purposes, and the interests of my constituents by putting my neck into the yoke of a cut-and-dried caucus; and I am not going to discuss other kinds of caucuses, because there are no other kinds of caucuses.

A caucus is held, and then the caucus must stand by the committee. The committee started with just a bare majority of

a majority, declaring a party policy, carrying the caucus with them until the bill comes into the Senate, and from that time on no man must raise his voice against it.

I have heard a great deal about the awful, sanguinary struggles that take place in some of these caucuses. I have seen no evidences in canes, crutches, or other implements used by disabled individuals in getting about; I have seen no signs of disfigurement that would seem to follow in the wake of such a fight as I have sometimes heard detailed.

Mr. President, the fight that two or three men make against a cut-and-dried party caucus reminds me of an incident that occurred when I was a boy. We had a man in our town, one of the last of that type of giants who in the days of the keel-boats were so plentiful in the Middle West, a great, powerful man, so powerful that when one day a man tried to shoot him with a rifle he took the rifle away from him, naturally grabbed it by the muzzle, and actually swung it about a live oak that stood near and bent the rifle barrel. The old man had a boy about 12 years old. The boy's name was Dan. One morning Dan came to school, and I noticed that he had evidently put in a sort of hard night. I asked him what the matter was. He said, "You ought to have been down to the house last night. The old man and I had the goldarned fight you ever saw in your life"—a 12-year-old boy fighting a giant who could whip a rifle barrel about an oak tree! I am reminded of that when I hear of these fights that are made in caucuses.

Mr. President, here is what I am coming to, that it is undemocratic in principle and politically. By this process you not only absolutely eliminate from all consideration in this bill the representatives of those States who are not of your own party, but you practically disfranchise the representatives of your own party. In framing a bill affecting the interests of 90,000,000 people, under a theory of government, coordinated and worshiped by the Democratic Party, which gives to each State its two Senators, the Senators from these States are disfranchised.

Four years ago the great State of Iowa, a Republican State, had no more voice in framing the Payne-Aldrich tariff bill than had the State of Alabama, and less than had the State of North Carolina, because under a condition of disinclination to wear yokes which then existed among certain gentlemen on this side it was necessary sometimes for the Republican leader to get some votes outside the camp to sustain the party measure. The Democratic Party has not found itself put to that stress as yet; but I want at this point to refer to another matter.

During the consideration of the Payne-Aldrich bill certain Senators who were in the Republican Party made up their minds that neither Mr. Aldrich nor the President nor any other coterie of men were the party; that the party was that mass of the electorate stretching from one ocean to the other, and that they should be heard through their representatives in the equation out of which a tariff bill for 90,000,000 people should come. They labeled us by various designations; but what I was going to remark was that at that time there was a tendency on the part of some of our good Democratic friends to eulogize that character of heroism which would warrant and sustain men in running counter to the dictates of a few political party leaders. It occurred to me then that that would be something that would come home to roost some day, because, in the passage of that bill, in the iniquities of that bill, which while we were fighting the trusts of this country, contained a proposition to tax corporations for the privilege of being corporations, and then exempted the worst form of corporations, the trusts and holding companies, anyone could see then that, unless that body of men of which the then chairman of the Finance Committee was a type, could be presented to the American people as disassociated from the Republican Party, the Democratic Party in four years would revise the tariff. That was the logical sequence, and those to-day who regret and deplore the fact that the interests of this country are menaced by a Democratic revision have only to thank the men who, with ruthless hands, drove a bill through the Senate and through Congress which caused the American people to revolt.

As I anticipated all that four years ago, it was easy to see then that, if there came a Democratic majority, some of our Democratic friends who had so applauded this particular phase of heroism that results in defying party leadership, might be very seriously embarrassed in their own situation; and I am afraid before the completion of this bill, when we get to a provision which I am yet to discuss, we are likely to meet that embarrassment.

Mr. President, of course we have parties; we are bound to have parties. Men who believe along a general broad line of opinion coordinate themselves together, and thus parties are made and grow. The trouble is that we ought not to regard

party as a master nor as a fetish; parties should be one of the instrumentalities of free government and not one of the weapons with which every fundamental principle of free government may be defeated in defeating representation.

I speak of representation; and we hear a great deal said to-day about representative government. There never was and there never will be such a thing in this country as representative government per se; that is, it always comes second; it comes as a sequence. Representative government did not give birth to democracy, so far as our people have progressed along the lines of democracy, but in their moving along the line of democracy representation came as an incident; in other words, 90,000,000 of people can not meet in this or any other assembly and frame or pass a tariff bill; they must send representatives, not that representation is at the basis of the theory of government, for it is a mere incident to the theory of free government and democracy. So, when I use the terms "deprived of representation" and "defeating representative government" I employ them in that sense.

Recognizing, then, that the tariff must under any phase that you may choose to name it, for the present at least, recognize the principle of protection—

Mr. WILLIAMS. Oh, no.

Mr. CLAPP. Well, "involve protection," if the Senator quarrels with the use of the term "recognize."

Mr. WILLIAMS. That is a great deal better.

Mr. CLAPP. The Senator will agree with me, however, that in the involved protection there ought to be an effort to make it just and fair to all sections and to all the people.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. CLAPP. Certainly.

Mr. WILLIAMS. I think the Senator has used the right word. Any tariff bill must necessarily, confronted with the conditions with which we are now confronted, involve a certain degree of protection, and whether you call it protection for itself or protection incidentally makes no difference. But I do not like to talk about distributing benefits; I would prefer to say burdens.

Mr. CLAPP. The benefits and the burdens should be fairly distributed.

Mr. WILLIAMS. One moment. Our duty, from our standpoint, is to make it involve just as little protection as we can. The Senator a moment ago exposed, with a power of analysis that is admirable, the viciousness of protectionism, in that for every dollar that it gives to the people in the aggregate in their Treasury by taxing the people individually it gives another dollar, or, perhaps, many more dollars, to some other individual by taxing the rest of the people individually for a special benefit.

Mr. CLAPP. Somewhere between five and ten dollars.

Mr. WILLIAMS. Whatever it is depends upon the particular rate and the particular product.

Mr. CLAPP. Yes; on the rate and the article.

Mr. WILLIAMS. The Senator has exposed that which is the cardinal, fundamental vice of the whole system; and yet it seems to me that he is about to draw the inference that, when there is less of the vice of protectionism in one bill as compared with another, the bill with the least vice in it is the most vicious because it is the least logical. That, I confess, I do not understand.

Mr. CLAPP. I have not reached that point, have I?

Mr. WILLIAMS. No; but the reason I said that was this: The Senator has said that a bill that was drawn up upon purely protective ideas could be defended and that a bill which involved items of protection without being drawn on the protective principle could not be defended, or, so I understood him to say, in substance.

Mr. CLAPP. I did not say so. I did not say that a bill drawn up on purely protective lines could be defended, although for the present it would have to be borne with. What I said was that when a man stood for protection, if he would not be fair, you could attack his motives, while you could not get at the motives of the man who shields himself behind a tariff for revenue.

Mr. WILLIAMS. What led me to that conclusion was this: I understood the Senator to say that the only two kinds of tariff bills that could be defended were a bill drawn upon free-trade lines taxing noncompetitive articles and a bill drawn upon protective lines for the purpose of protection.

Mr. CLAPP. Yes; dealing with the fundamentals.

Mr. WILLIAMS. The Senator says that a bill drawn upon protective lines for the purposes of protection can be defended, whereas a bill drawn for the purpose of getting as far as pos-

sible away from protective lines, whose protection, as nearly as you can make it, confronted with the actual conditions, is purely incidental, can not be defended.

Mr. CLAPP. Oh, Mr. President, I did not say it could not be defended; I said the vice of it is that if you plant yourself upon the proposition that it is for revenue, ignoring protection, you are taxing the people millions for the thousands the Government receives, and that there is a temptation all the time to shield oneself behind the claim of tariff for revenue.

Mr. WILLIAMS. If that is all the Senator means, I agree with him about that. I, for one, have never said, and will not say, that this bill or any bill that we could draw up now—and everybody knows that I could not help saying that in ordinary frankness—that neither this bill nor any bill that we could draw up now should übernachten, as the Germans say, overnight, undertake to rush down a waterfall from one level to another; no bill could possibly be drawn up so as not to involve any protection at all. Therefore, I have never said, and do not propose to say, that this bill is clear through, from beginning to end, a tariff for revenue only. All I have said is that it goes as far in that direction as we dare to go without—being confronted as we are with actual conditions—destroying men who have been put by the Government in a position where they must be ruined or else gradually permitted to come down. If a man is a hundred feet high, you can go up and let him down gradually, but if you go up and thereby pitch him down you will kill him.

Mr. CLAPP. Nobody is contending for pitching him down.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. CLAPP. I yield to the Senator from Idaho.

Mr. BORAH. If the Senator from Mississippi is entirely logical in his statement, it was the deliberate design, as I understand, of the framers of this bill to kill the wool industry.

Mr. WILLIAMS. Now, Mr. President, I think the Senator from Minnesota [Mr. CLAPP] and I have been having a rather candid heart-to-heart talk. I do not think the Senator from Idaho [Mr. BORAH] has contributed any light to it in that sense.

Mr. BORAH. Perhaps not.

Mr. WILLIAMS. The Senator from Idaho assumes in that statement that we believe that this bill will kill the wool producer. We do not believe that. One of the very first things that we have to do when we begin to lower a tariff which is upon a highly artificial level is to put the raw materials of industry, which are the necessities of industry, like the necessities of life, at the lowest possible rate not to destroy industrially the people engaged in it. We have thought, and I think and sincerely believe, that we will not destroy any industry in this country by putting wool upon the free list, although I frankly confess that we will reduce to a considerable extent the profits of the woolgrower, because, if we did not reduce those profits, we would not lower the price of wool.

Mr. CLAPP. Mr. President—

Mr. WILLIAMS. I beg the Senator's pardon—just one more second, because I must answer this.

Mr. CLAPP. Then the Senator must answer you. That is the trouble.

Mr. WILLIAMS. So that the Senator's assumption, as far as wool is concerned, is not an assumption that is accepted by me. It may be that putting some product upon the free list in this bill will destroy the industry. If that be true, then as to that particular product we have simply traveled too fast and too quickly. I do not say every paragraph in the bill is perfect.

Mr. BORAH. Mr. President—

Mr. CLAPP. Mr. President, I have no objection at all to being interrupted by inquiries or even by an incidental suggestion that may throw light upon the matter I am discussing. I believe in debate instead of these high-school graduating exercises in the Senate. At the same time I do not care to have all the other matters discussed. If the Senator simply wishes to ask a question or to make a suggestion, I will yield.

Mr. BORAH. No; I simply thought I would direct the attention of the Senator from Mississippi to the sugar schedule, upon which he expressed himself a year or two ago, and see if that was a candid presentation of the principles of this bill.

Mr. CLAPP. I know one Senator who, I fear, is perhaps overloaded on sugar. We will reach him in a little while, and that will relieve the Senator from Mississippi.

Mr. WARREN. Mr. President, will the Senator from Minnesota allow me to ask the Senator from Mississippi one question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Wyoming?

Mr. CLAPP. Is it in harmony with the subject of this argument?

Mr. WARREN. Entirely so?

Mr. CLAPP. Very well.

Mr. WARREN. A moment ago the Senator referred to the wool industry. I ask the Senator in all fairness, along the line of his argument about not pitching a man from the top to the bottom, if it would not be far safer and far more friendly to a deserving industry not to take a highly protected industry and throw it to the bottom, as has been done in the case of wool? Why not leave it, as the House started to leave it, at some point between the present tariff and free wool?

I want to say just one word further. The Democratic Party would have been entirely within its platform and its indorsement of bills of which it has heretofore approved had its members here fixed the rates of this bill at some point between the present tariff and free wool.

The Senator says he does not believe the passage of this bill will destroy the industry. There are a great many people who believe it will, and perhaps among them are those who have had as much experience in the business as the Senator has had. But surely it would be safer, it would be less sectional, and, if I may say so, less partisan and less occupational, if the Senator had treated the industry of woolgrowing like the others. He wishes to have the wearer of clothes procure cheaper clothing. Why not divide it, and let the farmer have a little of the protection incidental to a revenue tariff, instead of the manufacturer having it all?

Mr. WILLIAMS. The Senator is asking a question which it will require a speech of half an hour to answer, and the Senator knows it. Of course I can not take that out of the time of the Senator from Minnesota.

Mr. CLAPP. Mr. President, I will answer it.

Mr. WARREN. I will ask the Senator from Mississippi to answer it at some other time, then.

Mr. WILLIAMS. Yes; I will, in the course of time.

Mr. CLAPP. I will answer the question for the Senator from Wyoming. If a tariff bill should come into the Senate and the party lash on each side were withheld, we could get a bill with a fair equation that would represent all sections of the country. It is the system that gave us the Payne-Aldrich bill, with all its abominations. It is the system that is giving us this bill, with whatever abominations it may have. It is the system I am discussing. Abolish the system and you will have fair legislation.

The Senator from Montana stood in his place the other day and proclaimed that this bill had been framed in the interest of all the country. Did all the country commission the Senator from Montana to frame a bill in the interest of all the country? No. Under our form of government—and we will stand up to the last man in defense of it—this country was divided into sections, in order that Senators from other States might enter into the benign purposes of any one Senator who wanted to give the country a tariff bill fair to all.

In saying this to the Senator from Montana, believe me, my remarks are not personal. The people of the country no more commissioned you than they commissioned the Senator from Rhode Island, Mr. Aldrich, four years ago to say to 90,000,000 people what they should have and to say to millions of voters what their party pledge meant. That is the system I am attacking here. It is unrepresentative, undemocratic, and violates the cardinal system upon which free government is founded, as I have said before, namely, that if you are to have your rights in an equation with me the only way you can be sure of your rights is to have a voice in the making of the equation.

But Senators say, "Oh, we never would get anywhere." We have been now years and years in getting somewhere, and where are we to-day? It would take longer, of course, to frame a tariff bill if it should come in here, and Senators, free from the tyranny of party and the tyranny of caucus, were at liberty to vote as they saw fit. But when you got such a bill no man could stand on the floor and say that you had overridden the desire and the representation of a State. It would be an equation, and that kind of a bill would last a few years. I am very fearful that this one will not. There is not wisdom enough in any little handful of men—I care not who the men are—to frame a tariff bill to adjust the relations of 90,000,000 people and avoid those unconscious and unintentional conditions that will result in a revolt against it. That was the trouble with the Payne-Aldrich tariff bill four years ago; it was this arbitrary, dictatorial spirit that undertook to ride down and ignore the rights of the people in this broad equation.

It has been said that the men who fought that bill fought it in order that they might be before the American footlights. Did Jonathan P. Dolliver, known from one ocean to the other, have to incur the risk and the political danger of facing the opposition of an administration to gain a view from the American

people? Did his colleague have to do it? Did that man from Kansas, who years ago earned the encomiums of the Nation in unearthing fraud in the Post Office Department, have to fight a President and a coterie of political leaders in order that the public might know of him? Did that man from Wisconsin, battling through the years in his own State until he built there a condition that makes Wisconsin the Mecca for students from all over the world who want to study government, who has raised his voice from ocean to ocean in the great fight for civic righteousness, have to defy a President and a handful of now discredited political leaders in order that he, too, might occupy and get his share of the public vision?

No, Mr. President; it was a fight not for party supremacy, but a fight for service—service for the few on the one hand and service for the many on the other. It discredits the intelligence of the man who forced that bill through the Senate four years ago to say that he did not know what he was doing and why he was doing it. He knew well his purpose; and it was not a mere fight for party leadership. It was a fight for service, and that phase of the service won in that contest; and the American people rebuked it at the polls, as every man who knew anything of the American people knew they would do when the opportunity came.

My Democratic friends, do not flatter yourselves that you are the choice in your administration here of the American people. I do not say it to detract from the great credit that is due your leader in the White House—a man whom I honor and respect; a man whom I was glad to see your party nominate under conditions that for four years had insured to the American people a victory for the Democratic Party unless those who fought this battle four years ago could discredit the false leadership of the Republican Party. I speak, then, in no spirit of reflection when I say that he is not the choice of the American people as expressed by their ballots. I believe to-day he has the love and confidence of the great rank and file of the American people. I want to take this occasion to say that I do not share in any effort, here or elsewhere, to embarrass him in his present delicate situation. While I would put a stop to Presidents dictating to Senators as to what shall go into bills, I would leave the President alone to deal with the delicate situation in which he finds himself to-day. I believe he will deal with it satisfactorily. I believe he will find a solution for the problem, for he has shown wisdom and circumspection in his high office. So when I say he is not the choice at the ballot box of the American people I mean no reflection upon him.

What did the American people say at the ballot box last fall? They said they did not want and would not stand for a tariff measure framed in the spirit of service to interests, a tariff measure which, while it would place a tax upon corporations for the privilege of being corporations, would exempt the most vicious form of corporation, namely, a trust or holding company. It was a protest against that bill. It was a protest against the method in which that bill was passed.

I think there is a great deal of force in the story I once heard of the man who was to employ a coachman, and as the applicants came one after another he told them that in going from his office to his house he had to go by a steep precipice; and he asked one after the other: "How near do you think you could go to that precipice and not go over?" Finally one of the applicants said, "I don't know, but I will try to keep as far from the precipice as I can."

The tariff condition to-day is the product of a hundred or more years. You say there is not time to give it such consideration as I have suggested, and yet you go into certain schedules here without knowing whether or not your action will bring disaster upon those who are interested in those schedules.

I think it would have been infinitely wiser and safer to have gone moderately in this bill and to have bided your time. Just as surely as this bill goes too far, just as surely as disaster comes, whether it is logically and fairly attributable to the bill or not, the Democratic Party will be charged with it, and the pendulum will swing back again, and those of us who believe in a decent, fair, moderate tariff will have gained nothing by all this work. It would have been safer, I think, to have gone moderately, step by step; to have taken one moderate step and then another. Instead of seeing how near one could drive to the precipice, it would have been better to see how far he could keep from the precipice and yet serve the employment that he was entering into.

That brings me to the subject of wheat. I regret that the Democratic Party has seen fit to treat this subject as it has. I shall not quote any figures. Any man who lives upon the northern border knows that the Canadian farmer can raise wheat cheaper than the American farmer. Those farmers along the northern border have stood shoulder to shoulder in the years

gone by; they have borne their share of the burden, and now it seems to me unfair and unjust to treat them in the manner in which this bill treats them. If they were given a reduction, and experience showed that they could stand that or perhaps stand more, there would be time enough to make further reductions. The work of the American Nation is not going to be completed by you and me. There are others that will come here and take our places. It is the problem of the years. Unless we get away from this vicious system and get to another system that I want to discuss in a moment, the tariff will be the problem of the years. We are always too prone to think that now and our relation to now is the ultima Thule of human achievement.

I remember an incident that once occurred in this Chamber that will illustrate that thought. When Charles Sumner entered this Chamber, 11 years before the Civil War broke out, it is said that he was met by Thomas Benton with the patronizing remark: "Young man, you have come too late. The great questions are settled. The great men are passing away." To one who had been a central figure in that long and terrible struggle it may have seemed, as it did to Benton, as though the questions were settled, as though the great men were passing away. But 11 years from that day this country was buried in civil strife, and in the din of that awful war Thomas Benton was almost forgotten; but Charles Sumner will live, because he stood by a fundamental.

So we need not worry ourselves with the thought that what has not been done now can never be done, and I do hope yet, notwithstanding this ironclad rule of caucus domination, that the men in charge of this bill will see their way clear to let into this equation the representation and the views of those who come from the section of the country affected and know something more of its needs. You were not commissioned to speak for them any more than I was commissioned to come here and speak for Mississippi. The theory upon which we proceed is that, no matter how good either of us may be, whatever there is to flow from this association of government, to be fairly distributed, must be the result of consideration from both Mississippi and Minnesota.

Now I am going to take up another phase of this subject.

Some years ago in this country there grew up a feeling that railroad companies were charging too high rates. As the country became more densely populated and traffic became more dense and profitable, the people thought there should be a reduction of rates, and so the agitation went on. You can not imagine a more complex question than the adjustment of the thousands of railroad rates in this country. Why, this tariff bill, with all its items and all the relations which one item bears to another, is a plain proposition by the side of that interminable mass of transportation rates and the relations which they bear to one another. Yet the American people found a very wise and safe and practical way of solving that problem.

Of course under the Constitution Congress can not delegate any authority, so Congress could not delegate to a commission the power to fix rates. To avoid that objection growing out of the Constitution Congress passed a law creating a commission and declaring a rule for the rate, and saying in advance to the commission, "What you find to be the rate we declare to be the legal rate," subject, of course, to judicial restraint.

Under that system this complicated, intricate matter of regulating railroad rates, making due allowance for the imperfections and inherent weakness of human nature, has worked out very well. To-day if there is a difference of opinion as to what the rate from Spokane to St. Paul should be upon an article, instead of the whole country being torn up and thrown into a hysteria from a general revision of rates, the Interstate Commerce Commission takes that rate and deals with it.

The question of tariff rates is very analogous to that of railroad rates in two or three particulars. In the first place, neither of them ought to be a political question. I admit that if you draw a line of demarcation between free trade and protection, you then make a line of demarcation between political parties. But so long as you plant yourself upon a position where you have to admit to-day that in framing this bill it is just a question of fairness and justice to all, I say there is no political question left. Republicans of high standing and recognized leadership during the pendency of this bill have moved time and again to put things on the free list. No man to-day would want to be called a free trader with reference to the immediate application of free trade; and yet men charge one another across the aisle with being free traders.

Mr. President, my idea of the difference between a free trader and a protectionist is that it is about the same as the difference between a statesman and a demagogue. If you have ever noticed, the man who is doing the talking is always the

statesman. So, too, the man who for the time being is making the charge is always the protectionist.

Under these conditions it is absurd to try to make the tariff a political issue where there is no great line of demarcation; where all agree that whether you call it an incident, whether you call it involved, or whether you call it a recognition, there must be protection. Protection—call it a burden if you will—should be equally and fairly distributed. I repeat, under these conditions it is absurd to try to make the tariff to-day a political issue. Think of political parties facing one another, like gladiators in the arena, over the question of whether the duty on a given amount of oxalic acid shall be 1 cent or 1½ cents.

So I say that the tariff, like the matter of railroad rates, is not fairly, and ought not to be, a political question. It is like the matter of railroad rates in another respect, and that is in the intricate, delicate character of the work not only of adjusting a rate with reference to the value of that rate, but with reference to its relation to other rates. So if there was any reason on earth for turning that matter over to a railroad commission, the same reason exists to-day for turning over the tariff to a tariff commission. I do not mean, by a tariff commission, a politically emasculated body authorized to act as the body servant of a President. I mean a commission clothed with power, under the direction of Congress; Congress prescribing the rule; the commission authorized, like the Interstate Commerce Commission, to find the rate. I undertake to say that there is not a single legal proposition involved in that kind of a commission that has not been already involved in the Interstate Commerce Commission.

But some man says that would not do because the tariff unlike railroad rates, deals with the question of revenue. Mr. President, that objection is met in almost every tariff bill of late years. We put in these tariff bills a provision that if any other country discriminates against us, the President, upon ascertaining that fact, shall make his proclamation; and then, not by virtue of his authority, but by the voice of the law, instant and automatically, the maximum rate goes into effect, and the question of revenue is not considered from one end to the other of that proposition. So we have passed that; we have crossed that river.

It does seem to me that sooner or later the American people are going to put a stop to the present system of revising the tariff, and have a commission clothed with power similar to that of the Interstate Commerce Commission. Then, if the man who was importing wool thought the duty was too high, or if the man who was raising wool thought the duty was too low, instead of tying up the country, and instead of its being threatened with business disaster, the commission would deal with the question as the Interstate Commerce Commission to-day deals with the question of the rate from St. Paul to Spokane without throwing the transportation of the country into a storm of hysteria.

Of course I can understand why some Republicans are opposed to it. I can understand why some Democrats are opposed to it—those who, going to the extreme of the limitations of the present time with reference to ultimate free trade, should say, "We care nothing; it is a question of revenue in the last analysis." But why those who profess to believe in protection, and who believe in protection in a fair and equitable manner, should oppose or hang back against the establishment of such a tariff commission I confess I never have been able to understand.

In a free government, of course, every little while we have to project ourselves into an unexplored zone, and I could understand that men would hesitate about traversing a zone through which no traveler had gone. But when we have before us and before the American people the example of the Interstate Commerce Commission working out so admirably, I am unable to understand why the people do not rise up in their majesty and might and force Congress to adopt the same system with reference to the tariff.

It is proposed, in connection with this bill, to leave this matter in a measure to the people. The Senator from New Hampshire [Mr. GALLINGER] has offered an amendment to the effect that when this bill is perfected it shall stand until after the election of 1914, to the end that the American people may have an opportunity to adopt or reject the bill, as they see fit, through the election of men who are in favor of or hostile to the bill as they stand as candidates at that election. I am heartily in favor of that. For years I have believed that the American people should be equipped with an instrument by which they can cure the sins of omission or commission of their servants. I would go a step further than the Senator from New Hampshire. I would provide a way by which the people

could demand this referendum without asking any odds of Congress. I would not only equip them with the power to pass upon the question, but I would equip them with the power to take up the question if they saw fit.

I do not know what will be the fate of that amendment. Of course, unless the committee shall abate its absolute and autocratic authority, no amendments can be adopted or added to the bill. But I do hope the amendment will be adopted and that the American people will have an opportunity to pass upon this bill. I am inclined to think that if that opportunity were afforded they would sustain the bill. There are some things in it that the people have been wanting to get for some years. They have been wanting the income tax. They have been wanting the exemption in the corporation tax removed from trust and holding companies. This bill gives the income tax and removes that exemption.

In that broad equation you would then get what the people wanted and what they had intended. They voted last year, a portion of them for Mr. Wilson, a portion of them for Mr. Roosevelt, and a portion of them for Mr. Taft. It may be considered that the Taft platform was regarded by the American people as more ultraprotection than the platform upon which Mr. Roosevelt ran. But the platform upon which he ran and the declaration of the Democratic platform that these duties should be revised without disturbing the interests of this country was an assurance to the American people that it would be revised. Whether you call it in the spirit of protection or involving protection, it matters not. The verdict of the American people was in sustaining the industries of this country so far as the tariff is essential to their maintenance and their continued existence.

I do hope, Mr. President, that when that amendment is reached it will receive sufficient votes to pass it. It has been said often, you know, that you could not leave these things to the people—that they can not understand these things. It is not the understanding of all these schedules, with their relation to one another, that is involved. The question involved is whether in its broad equation this bill will be a fair revision of the tariff and a revision that, in the language of the Democratic platform, will not disturb the established business of the country.

In conclusion, Mr. President, I want to say simply this: I realize that these views are far in advance of the average view upon this question. I realize that for years we have been working along lines in advance of the rank and file of the thought of this country; but I say in no spirit of sarcasm, in no spirit of irony, I have lived to see the day when it is proposed that the American people shall have a voice in their legislation by leaving it, somewhat through indirection of course in the election of representatives, but still leaving it, to the American people to say whether a tariff bill shall become a law or not.

Mr. President, while I believe there are men urging that on who are not sincere, while I believe that there are men who would revolt at the very thought of a referendum urging this measure, I believe in the absolute sincerity of the Senator from New Hampshire, who proposes to present this amendment at the proper time, and I do hail it as an omen of progress if we advance that far, when it is now proposed by great, strong, genuine, sincere men to submit a measure like this to the approval or rejection of the American people.

Mr. SHIVELY. Mr. President, as wheat is one of the great staples of American agriculture, it is natural that much of the controversy over the agricultural schedule should revolve around this paragraph. The duty on wheat illustrates in a peculiar sense the futility of the rates heretofore carried in the agricultural schedules of a long series of tariffs. I rise only to place in the RECORD a few statistics bearing on this schedule. Before doing so I deem it pertinent to note that the senior Senator from Wisconsin [Mr. LA FOLLETTE] agrees that the rate of 6 cents per bushel on oats, carried in the bill, as reported by the Finance Committee, is right; that he contends that the reduction of the duty on barley should be to 10 cents instead of to 15 cents per bushel, as carried in the bill, from that of 30 cents in the present law; that the reduction on wheat should be to 6 cents per bushel instead of the proposed 10 cents countervailing duty in the pending bill, and that in his judgment even this 6 cents per bushel is economically necessary only because of production and market conditions in four States of the Union. What the senior Senator from Wisconsin has said about what would be a suitable duty on barley recalls the question, coupled with a suggestion about brewers, asked on yesterday by the senior Senator from Kansas [Mr. BRISTOW], why the duty on barley is reduced from 30 to 15 cents per bushel. The reduction on barley is less than the average reduction in this schedule, and no answer was

necessary when, for the want of which, the Senator from Kansas exclaimed, "No answer!"

Notice should also be taken of the fact that when a few days ago the junior Senator from North Dakota was making his speech lamenting what he was pleased to regard as the gloomy prospect of the northwestern wheat raiser because of Canadian competition, No. 1 Northern wheat was actually selling at Winnipeg, Canada, at 95 cents per bushel, while No. 1 Northern wheat was selling at Minneapolis at from 87 to 88½ cents per bushel. This fact only suggests how little the tariff and how much other considerations enter into the price of wheat.

Mr. President, there is wide difference of view in this Chamber as to the design and effect of the duties in the present law and past tariff acts in reference to agricultural products. As to the vast majority of its staples, agriculture has been, and still is, an export industry. In confirmation of this I invite attention to the official statistics of our foreign trade in certain productions of agriculture. For the fiscal year ended June 30, 1913, our exports of wheat were 91,602,974 bushels, while our imports were only 797,528 bushels, or nearly 115 bushels of export to 1 bushel of import. In value, our export of wheat was \$89,936,428 to \$559,559 of import, or over \$159 of export to \$1 of import.

Our exports of flour for the same period were 11,394,805 barrels as against imports of 107,558 barrels, or over 106 barrels of export to 1 barrel of import. In value, our export of flour was \$53,171,537 as against an import of \$453,681, or \$117 of export to \$1 of import. In value of wheat and flour combined, our export was \$143,207,965 as against an import of \$1,013,240, or an export of \$141 to \$1 of import.

For the same period our exports of corn were 49,064,967 bushels, while our imports were 903,062 bushels, or over 54 bushels of export to 1 of import. In value, our export of corn was \$28,800,544 as against an import of \$491,079, or over \$58 of export to \$1 of import.

Now I come to the question of barley, about which the senior Senator from Kansas [Mr. BRISTOW] manifests so much curiosity. For the fiscal year ended June 30, 1913, our exports of barley were 17,536,703 bushels, while our imports for the same period were 6,244 bushels, or exports of a fraction over 2,824 bushels to 1 of imports. In value, our export was \$11,411,819 as against an import of \$2,913, or over \$3,927 of export to \$1 of import.

Of oats, our exports were 33,759,177 bushels. Our imports were 723,899 bushels. The ratio of exports to imports was over 46 to 1. In value, the export was \$13,206,247, while the import was \$289,064, or over \$45 of export to \$1 of import.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Does the Senator from Indiana yield to the Senator from Kansas?

Mr. SHIVELY. Certainly.

Mr. BRISTOW. I am not certain that I understood just what the Senator said in regard to the importations of barley. Would it bother him to repeat the statistics he gave us on that item?

Mr. SHIVELY. The statistics of importation of barley which I have submitted were for the fiscal year ended June 30, 1913, and the amount of the importation is 6,244 bushels.

Mr. BRISTOW. Of course the Senator must be mistaken, because in 1912 the importations were 2,768,474 bushels. There was not any such falling off as that; that is, according to these figures here.

Mr. SHIVELY. No; the Senator is not mistaken. If the Senator will review the statistics of barley for the last 10 years, he will find that no product of agriculture exhibits such a wide variation in exports and imports from year to year as barley.

Mr. BRISTOW. Not only did we import in 1912, according to this handbook, 2,768,474 bushels, but the estimate is that we will import next year under this bill 2,000,000 bushels.

Mr. WILLIAMS. Mr. President, if the Senator from Indiana will pardon me, the Senator from Kansas has quoted the statistics at two and three-quarter millions, in round numbers, for the year 1912, and he has quoted them correctly. If he will turn to the year 1910, he will see there were not 4,000 bushels imported; there were 3,989 bushels imported. If he will turn to 1905, the number of bushels imported was 79,000. Nineteen hundred and twelve was the most exceptional year in the history of barley production that the country ever saw, by all the evidence before the subcommittee. It will be noticed that the importations furnished by the Senator from Indiana are nearly twice as much as the importations for 1910.

Mr. SHIVELY. It is palpable from the statistics lying on the desk in front of the Senator from Kansas that wide variation in quantity of export and import from year to year characterizes the trade in barley. The fact is shown by the

handbook to which he has just appealed. I affirm that the figures I have given are official and correct, and that there is nothing strange or exceptional about them save as the actual trade in this article makes them so.

Having disposed of barley, I only add to this phase of the subject under discussion that even the export of eggs was 20,409,390 dozen as against an import of 1,367,223 dozen, or a ratio of export to import of 15 to 1; that the export of butter to import was in the ratio of 3 to 1 both in pounds and value, and the export of cotton over import in the ratio of \$23.70 to \$1.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. SHIVELY. I do.

Mr. GALLINGER. If my reading has been correct, I have noticed that our Democratic friends have been insisting for a long time that we ought to increase our foreign trade. Does not the Senator think we are doing pretty well in the exportation of those articles and that we ought not to be embarrassed?

Mr. SHIVELY. The Senator unquestionably thinks we are doing pretty well under a system where all the efforts of Government have been directed against foreign trade. We have acquired a goodly volume of foreign trade, and in spite of obstructive tariffs. It is evidence of the high determination of mankind to trade that we have any trade at all with foreign countries.

Mr. GALLINGER. We have exportations amounting to over \$2,000,000,000. We had last year \$2,300,000,000.

Mr. SHIVELY. That is true.

Mr. GALLINGER. The world has never known anything like it.

Mr. SHIVELY. And all in spite of, and not by reason of, obstructive tariffs. Certainly a tariff confessedly obstructive and prohibitive in design as to hundreds of articles can not conduce to expansion of our foreign trade.

Mr. GALLINGER. I will ask the Senator a further question. In changing the duty on the articles that he mentions, what is the purpose? Is it to permit the product of some other country to come in more freely than it does now?

Mr. SHIVELY. Mr. President—

Mr. SMITH of South Carolina. Will the Senator from Indiana allow me to state to the Senator from New Hampshire—

Mr. SHIVELY. If the statement relates to the particular question now pending, I yield.

Mr. SMITH of South Carolina. It is in relation to this direct question. He says that we had an exportation of \$2,000,000,000, which is correct; \$600,000,000 of that, or over one-quarter of it, came from one article that never has had a tariff on it.

Mr. GALLINGER. We understand that. We know it does not need any tariff and has not needed any tariff in the history of the country; but it will possibly at some future time need a tariff, and if it does, the Senator from South Carolina will be here insisting that a duty ought to be put on it.

Mr. SMITH of South Carolina. If the Senator from Indiana will allow me, according to the figures the Senator from Indiana has quoted, it stands no less in need of protection than wheat, because you are exporting the same proportion of wheat that you do of the article to which I refer. Therefore I do not see that it requires any more protection than does cotton.

Mr. GALLINGER. The Senator is leading me from the question I propounded. The question was, and I asked it in good faith, inasmuch as we are exporting more of these products than we are importing. Why should we call a halt? Exporting our products is extending foreign trade, and why should we legislate so as to invite foreign countries to send more of those products into our country?

Mr. SHIVELY. When the official statistics show an overwhelming excess of exports over imports, where is the invitation and how does increase or decrease of duty on these articles call a halt?

Mr. GALLINGER. Will the Senator explain to me, then, what it does? What does changing the rate accomplish?

Mr. SHIVELY. The change of rates runs all through this bill. We propose to reduce customhouse taxation and release commerce from the burdensome duties of the present law. That the duties on agricultural products are empty and inoperative for any beneficial purpose to the farmer is no reason why they should not be reduced. They have availed the farmer nothing, and in a revision of the tariff downward duties useless for purposes of either protection or revenue should go down with those which are effective to oppress the consumer.

Mr. GALLINGER. But the Senator has not—

Mr. SHIVELY. Now, what does the Senator propose to do? He has been voting for increases over the rates in the schedules

thus far considered. Is he voting to increase or to reduce to the American farmer the prices on what he must buy?

Mr. GALLINGER. No, Mr. President; I have no more idea that the passage of this bill will reduce prices to anybody than I have that the sun will rise at midnight.

Mr. SHIVELY. Then, on the Senator's own theory, why does he not support these amendments?

Mr. GALLINGER. Because I think they are all wrong.

Mr. SHIVELY. But things that can work no effect can not work a wrong. Just what is the wrong that the Senator has in mind?

Mr. GALLINGER. It is for the Senator to show the effect they will have. He has not undertaken to do that.

Mr. SHIVELY. Oh, Mr. President, I shall do that, though I arose only for the purpose of incorporating at this point in the record the official export and import statistics of certain agricultural staples, which tell their own story and are themselves an answer to the Senator. But before submitting to the temptation to answer the Senator more at length, and because cotton has become the subject of some colloquy, I note the additional fact that the value of our exports of cotton was \$547,357,195 as against an import of \$22,987,318.

Mr. WILLIAMS. I want to ask the Senator is not the ratio of exports to imports, so far as cotton is concerned, very much less than it is so far as wheat and a great many of the other of these articles are concerned, it being 23 to 1 for cotton?

Mr. SHIVELY. In wheat for the year ended June 30, 1913, the ratio was \$159 of exports to \$1 of imports.

Mr. WILLIAMS. I asked that question because the Senator from New Hampshire [Mr. GALLINGER] has just stated that the time would come some day when cotton would need protection, and already the figures show that the ratio of export to import is only 23 to 1 on cotton, while on wheat it is 159 to 1. So if the time has come for one it has come for both.

Mr. SHIVELY. Mr. President, I have quoted these statistics as obviously bearing on the question of the value to the farmer of the so-called protective rates on his products. To say that the farmer is protected simply because he is given a high rate of duty on a given product is to mock him with idle words. Certain industries are incapable of protection by any rates of duty devisable by the wit of man. Where the industry is export in character and there is no combination at home to absorb the duty by charging higher prices at home than are received for the surplus sent abroad the duty is worthless to the producer of the article. The situation and environment of the industry determine whether any rate of duty can be effective. The mere incorporation of a rate in the statute settles nothing. Hundreds of the rates in the present law are empty and inoperative, except to supply texts for political debate. Such precisely is the great body of the rates in the agricultural schedule of the act of 1909.

It is such rates as these that are just now the subject of so much solicitude among certain Senators on the other side of the Chamber. They protest against what they pretend is a discrimination against the farmer. It is an inherent and inseparable quality of the so-called protective principle in customhouse taxation that it can not operate equally on all industries, occupations, professions, or equally on all sections of the country. One of the early statesmen, either Jefferson or Madison, predicted that the first effect of the protective principle would be to sectionalize the country, and that the second effect would be to classify society. It did both. It engendered and projected the sectional spirit on the country and has precipitated the class spirit over society. So marked is this that nearly every speech made against the pending bill appeals to the sectional spirit or class spirit or both. The sectionalism or classism is not in the pending bill, but in a tariff system which we propose to revise and reform. In the very nature of the system the farmer is a victim and not a beneficiary.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. SHIVELY. I do.

Mr. SMITH of South Carolina. If the Senator from Indiana will allow me, I desire to call his attention to the distinction between agricultural products which, by virtue of their large surplus, are exported, wherefore the producer of the product enjoys no benefit from protection, and industries where there is a possibility of organization, such as we have in some of our trusts, which export as much as the domestic consumption and yet, by virtue of the tariff and their organization, are able to charge the American people a higher price for the domestic product than that for which they sell to the foreigner. I want to call his attention to that distinction.

Mr. SHIVELY. Yes, Mr. President; the Senator is right. The question of the effect of the tariff on the farmer is not concluded by percentages, specifics, and ad valorem scattered through the agricultural schedule. There is no potency in the statute for the production of wealth. The statute changes no natural condition of production. It does not operate on the farm or in factory or mine. Where operative at all, it operates in the spaces between production and consumption, called the market, and then only to transfer without compensation through inflated prices the property of the consumer to the protected producer.

It is not mere academic theorizing to say that the thing we call wealth is a social, not a political, product; that wealth is produced by brawn of muscle, skill of hand, and vigil of brain not by acts of Congress; that industrial prosperity is born of the energy and genius of man applied to the bounties of nature, not of the cunning and craft of man applied to the powers of government. The power to tax is the power to take, not the power to make. The power to tax is the power to transfer, not the power to produce. Government has no independent reserve fund of property out of which to insure profits. It can not assure profits to one American industry without assuring losses to other American industries. Every operative protective duty is a special privilege. Government has no reserve fund of power out of which to grant a special privilege. It can grant the special privilege only out of the body of common rights. Did so-called protection operate equally on all industries and occupations, the interests back of it would drop it as a thing of no advantage. It can create beneficiaries only as it creates victims.

Now, in this scheme of wealth by statute and prosperity by taxation where does the farmer come in? Through our whole history, and as to his principal staples, the farmer has been selling below European prices and buying above European prices. Through all this time he has been making his sales of the great staples of the farm in competition with the agriculture of the whole world, and for two generations he has been compelled to make his purchases at inflated prices in domestic markets dominated by trusts and monopolies hatched into life, nourished into strength, and fostered into wealth, power, and influence under the shelter of high tariff walls.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kansas?

Mr. SHIVELY. I do.

Mr. BRISTOW. May I ask the Senator why he does not put the products of such conspiracies and combinations on the free list in this bill?

Mr. SHIVELY. Mr. President, it is reassuring to observe that the Senator from Kansas is exercised with some vicarious grief in behalf of the American people because of the trade conspiracies and combinations which have been hatched and nourished under the tariff acts of 1883, 1890, 1897, and 1909. We have done the very thing about which he inquires. It is easy enough for the Senator to dip in here and there to find an item to which to attach a quibble. It is an easy rôle to be a mere objector and obstructionist. I appeal from these jim-crack tactics to the free list in this bill and to the general reductions in the dutiable schedules on all things except luxuries which mark the bill from the first line to the last.

Mr. BRISTOW. So that is the reason why the Senator favors putting wool on the free list and everything made from wool on the dutiable list? That is why he puts the product of the market gardener on the free list and the products of the factories on the dutiable list?

Mr. SHIVELY. There is not a duty on any factory product, except here and there a rare luxury, the weight of which the consumer can well bear, that is not either entirely removed or substantially reduced. The Senator refers to wool. There are more farmers who do not raise wool than do raise wool. But of what service has the duty been to the wool raiser? To take the Senator and those who agree with him seriously one would conclude that if the duty is kept at its present point long enough fine long wool would grow on the rail fences of the country. With the present duty on wool the number of sheep in the country decreased nearly 10,000,000 head within the last 10 years, and in Indiana decreased 400,000 within the same period. If the tariff is to be credited as a potential factor in wool, then at this rate of decrease of sheep how long would the present rate of duty have to be maintained until there would be no sheep at all? The Senator will find nothing in the economic history of the tariff to sustain his position with reference to agricultural duties.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kansas?

Mr. SHIVELY. I do.

Mr. BRISTOW. The Senator from Indiana was making a very forceful argument from his point of view, alleging that the farmer has been compelled to sell his products in a free market and purchase his supplies in a protected market controlled by trusts and combinations. The remedy for that in the bill which the Senator has aided in preparing is to put the farmer's products on the free list and maintain a duty on the very manufactured products which the farmer has been buying. I ask the Senator why he did not favor removing the duty off the trust-controlled products as well as off the products of the farm?

Mr. SHIVELY. It may be news to the Senator, though I hardly think so, that we are taking care of that side of the question in the only way by which it is possible for the farmer to realize any relief by a revision of the tariff. This bill takes the duty from and carries to the free list twenty times a larger number of articles purchased for use on the farm than any tariff act in the entire history of our fiscal legislation. As to the great body of these articles, a trust control has been charged. The bill removes the shelter of the tariff from these trusts. The farmer never had a shelter under the tariff, and the pretense that the reduction or removal of these empty duties on his products is prejudicial to him can only deceive the man who prefers to be deceived. The difficulty with the Senator is that he is too busy chasing phantom mischiefs through these schedules to see the real and substantial remedies which they carry.

Our total agricultural exports last year amounted in value to over \$1,000,000,000. This meant American agricultural labor and capital in competition with the whole world. There is no agricultural trust to limit production, produce scarcity, put up prices to artificial levels against the domestic consumer, or to maintain such prices at home and unload surplus at low prices abroad. Think you one bushel of wheat from the American farm would have gone abroad had it been offered a higher market at home? Was it not because of the higher price offered abroad last year that 91,000,000 bushels of American wheat went there? Think you that a tariff is necessary to prevent men from bringing wheat from high prices to low prices?

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. SHIVELY. I do.

Mr. NORRIS. I should like to inquire of the Senator if he thinks the tariff on rice helps the farmer who produces rice?

Mr. SHIVELY. The Senator propounds his question in the usual spirit of those who see in the taxing power of the Government only an agency to serve some private interest.

Mr. NORRIS. I am not asking about my belief; I am asking for information.

Mr. SHIVELY. In that case, I answer that rice is a revenue article. Its importation produces a substantial income to the Government. The revenue is needed. Even at that, we reduced the duty on rice 50 per cent. The Senator will hardly expect us to raise sufficient revenue for the Government and put all articles on the free list at the same time.

Mr. NORRIS. I will ask the Senator this question: Then why did he not treat the wheat farmer the same as the rice farmer and cut the tariff on wheat in two, the same as he did on rice?

Mr. SHIVELY. The bill expressly provides for a duty of 10 cents a bushel on wheat as against any country that maintains a duty against wheat or any of the products of wheat exported from this country.

Mr. WILLIAMS. If the Senator from Indiana will pardon me just a second—

Mr. SHIVELY. Certainly.

Mr. WILLIAMS. As pertinent to the inquiry of the Senator from Nebraska, there was derived from rice in the year 1912 a revenue to the Government of nearly a million and a quarter dollars, in round numbers.

Mr. NORRIS. Of revenue?

Mr. WILLIAMS. In round numbers, a revenue of a million and a quarter dollars.

Mr. NORRIS. Now, I want to repeat to the Senator from Indiana the question which I asked originally. I should like to get his judgment as to why the farmer who raises rice should not be treated the same as the farmer who raises wheat?

Mr. SHIVELY. The farmer who raises rice has the duty on his product decreased.

Mr. NORRIS. And the farmer who raises wheat has lost his duty.

Mr. SHIVELY. The farmer who raises rice has lost 50 per cent of his duty. If the farmer who raises wheat lost all his duty on wheat he would lose practically nothing. Even the Senator from Wisconsin [Mr. LA FOLLETTE], as a protectionist, concedes that a duty in excess of 6 cents is unnecessary, and that

even this is desirable only because of conditions in four of the Northwestern States.

Mr. NORRIS. Let me repeat my question: Does the Senator think the duty of 1 cent a pound on rice that he has retained in this bill helps at all the farmer who raises rice?

Mr. SHIVELY. The imports of rice are far in excess of its export. With this state of the trade, the duty on rice would naturally give the domestic market the incidental advantage that attends a duty where there is actual import competition. Whether the farmer would realize on the duty depends on what influences control in the domestic market.

Mr. NORRIS. I understand that. We are discussing now an amendment that practically puts wheat on the free list. I understand what the Senator refers to, or I think I do—the countervailing clause. I understand that is in the bill. But if it is proper to put that on wheat, why do you not put it on rice? Why make a difference between the wheat farmer and the rice farmer?

Mr. SHIVELY. That question might be asked in regard to every other paragraph in this bill. Rice is a revenue article. Wheat produces no revenue, or only a negligible quantity. This bill contemplates raising revenue to meet the fiscal necessities of government. The Senator again approaches the subject only from the standpoint of taxation for private profit, while the task was on the authors of this bill to provide for duties with reference to public revenue.

Mr. NORRIS. If I understand the Senator, his theory is that the tariff on wheat does not do any good to the farmer who produces wheat. Is that the Senator's view?

Mr. SHIVELY. That is just what is shown by the official statistics which I have submitted, and to place which in the Record I expected to occupy the time of the Senate only a few minutes.

Mr. NORRIS. Then, does the taking off of the tariff on wheat help the consumer at all?

Mr. SHIVELY. The same statistics show that as to wheat it would not. The fact is that the great body of the duties in the agricultural schedule of the present act and many of those in the same schedule of the pending bill are inconsequential.

Mr. NORRIS. The Senator is very frank.

Mr. SHIVELY. There is no special frankness about it. The facts are manifest. With rare exceptions, the duties in the present law on agricultural products are empty duties. They have been and are mere sentimental duties. They are scarcely even statistical duties. They are ineffective and inoperative. They serve no purpose of either revenue or protection. They are the barren stuff which you have been offering the farmer in exchange for his support of duties in other schedules which are used to despoil him of the natural rewards of his toil.

Mr. NORRIS. The Senator does not contend, does he, that those who favor a tariff on wheat are insincere? He does not contend that they are arguing something that they do not themselves believe, does he?

Mr. SHIVELY. Oh, I do not pretend to sit in judgment on the sincerity of Senators or conjecture about their mental reservations on the tariff. Sincerity is as potent to advance a bad cause as to promote a good one. My contention goes to the economic worthlessness of so-called protection as applied to American agriculture.

Mr. NORRIS. If the Senator's theory is true, it has no effect one way or the other; and if that be true, if it does not hurt anybody, why not permit the men who are raising wheat and who believe it is of benefit and are sincere in their belief to have a tariff?

Mr. SHIVELY. That a duty is worthless to the farmer does not mean that it is harmless, nor is the vice of a false system relieved by the sincerity of its advocates. There are millions of farmers in the United States who not only believe but who know that these duties are humbug duties. There are others who blindly accept these barren rates at their face value and are hoodwinked, cheated, and deceived by them into the support of rates in the other schedules which victimize the farmer on nearly everything he purchases for his farm or his household.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Utah?

Mr. SHIVELY. I do.

Mr. SMOOT. I understand the Senator to say that the duty of 1 cent a pound on cleaned rice did have an effect upon the rice in this country, and that it was a benefit to the rice grower. Did I correctly understand the Senator?

Mr. SHIVELY. So we are back to rice. If there were substantial exports of rice and slight or no import, and no domestic combination to raise and maintain the domestic price above the export price, then the duty would be an empty thing. On

the other hand, if there be little or no export and conditions prevail in the domestic market by which the duty can be absorbed, the duty will affect the price.

Mr. SMOOT. I was going to call the Senator's attention to the fact that there were nearly \$1,000,000 worth of rice exported in the year 1912. I also wish to call his attention to the fact that the importation of cleaned rice in the year 1910 was a little over 25,000,000 pounds, while that year we produced in this country 624,000,000 pounds of rice. So the duty of 2 cents per pound was collected upon this 25,000,000 pounds, and the same rate of tax, of course, under the Senator's argument must apply to the 625,000,000 pounds that was produced in this country. In other words, the tax that was paid upon the importation of 25,000,000 pounds went into the Treasury of the United States, but the American people paid that same rate of tax upon the 624,000,000 pounds produced in the Southern States.

I simply wish to state that for every pound of cleaned rice imported into this country there were produced in this country 24 pounds. I am not objecting to the duty upon rice. I believe it is necessary to protect that industry in this country from the cheap labor of China and Java and the different countries which raise rice.

Mr. SHIVELY. What were the figures of exportation recited by the Senator?

Mr. SMOOT. Nine hundred and seventy thousand three hundred and eighty-seven dollars were the figures I quoted to the Senator. At the same time I think it is necessary that there should be a duty levied upon rice. I do not see one particle of difference in principle whether it be rice or whether it be wheat; the same principle should apply to both. I believe the question that was asked by the Senator from Nebraska [Mr. NORRIS] was a proper one, and I think it ought to have been answered as the Senator from Mississippi answered it this morning—that is to say, that the duty that has been placed upon rice in the past has been sufficient to allow the growth of rice in this country, and they could not take it all off at once without injury to the industry, and therefore they decided to take off 50 per cent.

Mr. SHIVELY. Does the Senator from Utah object to that?

Mr. SMOOT. Nobody has objected to it, and no one would object if you had applied the same principle to wheat. But you did not apply it to wheat. You took it all off. You did not apply it to wool; you placed it on the free list. You did not apply it to sugar, because you say that in three years sugar must be free.

Mr. SHIVELY. The views of the Senator and myself as to the principle that should prevail in customhouse taxation are too far apart to conflict. He sees no difference between a duty on an article that is overwhelmingly export and produces no revenue and a duty on an article that is import and does produce revenue. He magnifies the taxing power as an agency for private profit and minimizes it as an agency for the only purpose for which the taxing power is conferred on government. He seems to regard industry as the child of taxation. He seems to view our farms as statutory farms, our factories as statutory factories, our mills and mines as statutory enterprises, and industries generally as produced and maintained by the yeas and nays of Congress.

Mr. SMOOT. Right there I should like to ask the Senator a question, so that I may know whether or not I correctly understand him as to the word he has used—"statutory." Does the Senator believe that with free sugar—and if the bill becomes a law and is placed upon the statute books it will be a statutory law—the sugar industry in Louisiana can live? Is it possible for that industry to live under free sugar?

Mr. SHIVELY. Mr. President, I am not in the sugar industry and am not swift to prophesy on the subject. The Senator's theory of tariff making for private purposes requires every Member of Congress to know as much about everybody's business as everybody knows about his own business. That the beet-sugar industry will not only survive but will grow in strength and magnitude I have no doubt. Whether the cane-sugar industry can survive the removal of the tariff, I do not know. I hope it may become self-supporting. I do know that the country has conjured with protection on cane sugar for 125 years. Alexander Hamilton made sugar one of the subjects of discussion in his report, but Hamilton had the candor and frankness to plant protection squarely on the ground of subsidy out of the natural profits of other industries. He even said that a direct bounty had an advantage over protection, as it tends less to produce scarcity. Natural conditions are favorable to beet-sugar production, and the energy that started it will carry it forward. Cane-sugar production has far greater natural obstacles to overcome, and whether it can live without a duty I do not pretend to say. But if the Senator says it will not, can

he tell us how long would it be necessary to continue to subsidize it out of the self-sustaining enterprises of the country to place it where it would no longer be necessary to prop it up by Federal taxation?

Mr. WILLIAMS. Before the Senator goes on—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. SHIVELY. I do.

Mr. WILLIAMS. Senators have been trying to draw a contrast between what we have done with wheat and what we have done with rice. I want to remind the Senate that while we have reduced the duty on wheat 25 cents per bushel we have reduced the duty on rice 56 cents per bushel. What good does it do to get up here and talk about putting one thing upon the free list and leaving another upon the dutiable list? The duty upon wheat was 25 cents per bushel, and we took it off. We could not take off but 25 cents. That is all we did take off. The duty on rice was 2 cents a pound, and we reduced it to 1 cent a pound; and it takes 56 pounds of it to make a bushel. We reduced the duty on rice more than we reduced the duty on wheat.

Mr. NORRIS. Nobody has claimed that you took off more than there was to take.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Utah?

Mr. SHIVELY. I do.

Mr. SMOOT. The Senator from Mississippi said that we have reduced the duty on rice 56 cents a bushel, and have reduced the duty on wheat only 25 cents a bushel. Twenty-five cents a bushel was all the duty that was on wheat. You have taken 100 per cent of the duty off and placed it on the free list, whereas there was a duty of 2 cents a pound on rice, which is \$1.12 a bushel, and you have simply reduced that 50 per cent, making it 56 cents a bushel, or a little over two and one-fifth times what the duty is on wheat under the present law.

Mr. WILLIAMS. Mr. President, this percentage argument reminds me of the man who once sent a telegram saying that the Republican vote in Yazoo County had increased 200 per cent. There had been only 2 Republican votes one year, and the next year, I believe, there were 6. Your percentage every now and then is nonsense.

Mr. SMOOT. I notice that all through the bill, when our friends refer to the bill, they say what the percentages of decreases are. They want the country to understand that there is a great decrease in all the rates, and they are stated in percentages.

Mr. SHIVELY. I am curious to hear the question the Senator has in mind.

Mr. SMOOT. I was not going to ask a question just now. I was simply going to answer the statement that the Senator made. But I shall not take the time of the Senator any further upon that question.

I simply wanted to ask the Senator this question in the beginning in relation to sugar: If it took an act of Congress by levying a rate of duty upon sugar to maintain that industry in this country, then that would be called a "statutory industry," such as I understood the Senator was referring to. The Senator from Mississippi upon the floor of the Senate has acknowledged that in his opinion, with free sugar, the Louisiana people can not produce sugar as against the balance of the world, and therefore it will destroy that industry. What I was asking the Senator was whether he thought it proper to pass a law to protect any industry of that kind or whether it should be allowed to vanish entirely.

The Senator asked me how long I would levy tribute upon the other industries of this country to make up for what the people pay for the increased price of sugar on account of the rate of duty imposed upon it. That is too long a question for me to go into now, Mr. President.

Mr. SHIVELY. I fear so.

Mr. SMOOT. I am not going to take the Senator's time for that. But it is a fact and can be demonstrated that through the local production of sugar the American people have not lost any money, but have gained; and if that industry is destroyed in this country, I want to say to the Senator now and to the good people of America, that the American people will ultimately pay for it.

Mr. SHIVELY. To assume that to withdraw the tax is to destroy the industry is to assume that the industry lives by the tax. It is to assume that it is not an industry at all, but a public charge to be supported by the tax. We can raise figs, lemons, oranges, pineapples, and bananas right here in the District of Columbia. All that is required is that the Govern-

ment hold the consumer while the producer collects from him high enough prices to pay for the hotheousing and whatever else may be necessary to create the soil and climate suitable for the production of these fruits. The venture would be operated along lines of greatest resistance and represent only unmixed waste of both capital and labor, but the Senator would still call it an industry and prophesy disaster should the Government lift its hand from the consumer. I am not contending that the sugar industry is in this category, but this is the category in which the Senator places the sugar industry.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. SHIVELY. I do.

Mr. CUMMINS. I did not intend to interrupt the Senator until he had finished his answer to the Senator from Utah.

Mr. SHIVELY. I was not answering a question, but was noting the logical consequence of the contention of the Senator from Utah on sugar. I yield to the Senator.

Mr. CUMMINS. To bring the matter back to wheat, the present duty on wheat is 25 cents a bushel, very much higher than the doctrine of protection requires or justifies. There have been substantially no importations under it because it is prohibitive. My question is, Does the Senator believe that with wheat on the free list there will be importations of wheat into the United States?

Mr. SHIVELY. If the Senator means whether through the course of years wheat will be imported, it is manifest that that will depend on the conditions of demand and supply at home and abroad.

Mr. CUMMINS. I can well understand that; but my question was, practically no importations having taken place under the general conditions of production and consumption, whether, in the opinion of the Senator, with wheat on the free list, there would be any considerable quantity coming into the United States from other countries? My doubt was whether the Senator was not depending too much upon the statistics of the trade that has risen under the present practically prohibitive duty. It can hardly be said, because under a duty of 25 cents a bushel there were no importations, that there would be no importations if the duty were entirely removed.

Mr. SHIVELY. I submit that the Senator assigns to the present duty on wheat a force and effect that it has never exerted and, because of conditions independent of the duty, could not exert. It was not the duty on wheat, but the export character of our domestic wheat production, that excluded wheat. Wheat did not enter this country in substantial quantity for the same reason that it did not enter the other surplus wheat-producing countries of the world. These countries sent their surplus to other markets and not here, because their wheat commanded a higher price there than here, just as our surplus went to other markets for the higher price paid there. It was not our tariff, but the higher price paid in western Europe that prevented foreign wheat coming here. The same cause that drew our surplus there precluded foreign surplus coming here. With whole wheat and wheat in flour in the value of over \$143,000,000 going out, it is impossible to conceive of any considerable quantity coming in, tariff or no tariff. The force of the statistics of export and import is to emphasize the fact that for any purpose of value to the farmer the duty on wheat is a nullity.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Illinois?

Mr. SHIVELY. Yes, sir.

Mr. SHERMAN. I wish to ask the Senator a question. Is he able to say that free listing wheat will increase or decrease the price of either wheat or flour in the United States?

Mr. SHIVELY. Whether wheat or flour may rise or fall I do not prophesy, but whether either does one or the other will not be because of the presence or absence of tariff on it. In the present circumstances of production, consumption, and trade in these products, their prices are world prices and not Washington prices. As to wheat and flour, the tariff is having no effect in this country on the relation of supply to demand.

Mr. SHERMAN. Let me follow that, now, by another query. Yesterday December wheat was quoted in Chicago at 85½ cents. It was quoted in New York at 93 cents. If wheat were free listed to-morrow morning, does the Senator think it would affect the price of wheat either in North Dakota or at either of the points named?

Mr. SHIVELY. Under present conditions, certainly not.

Mr. SHERMAN. That answers it. I am seeking for information. If it would not affect the price, how would it affect favorably or unfavorably the high cost of bread?

Mr. SHIVELY. I have not contended that the removal of the duty would under present conditions affect the cost of bread. On the contrary, I have characterized these duties as empty and inoperative. That other influences besides tariffs may operate in the spaces between production and consumption, I know as well as does the Senator.

Mr. SHERMAN. I have the desired information that I asked for. I am now seeking for further information. What will be accomplished by free listing wheat?

Mr. SHIVELY. Wheat is not free listed, but is subject to a countervailing duty. But wheat on the free list would prove once for all to the last doubting farmer that the duty on wheat is one of the husk and humbug duties on his products with which it has been sought through all these years to secure his vote for other duties in the general scheme which have robbed him. The great body of the farmers know it now. Whatever delusion remains on the subject would be dissolved.

Mr. SHERMAN. Does the Senator regard the duty on corn in like manner?

Mr. SHIVELY. Certainly; quite as worthless.

Mr. SHERMAN. I wish to ask the Senator if he knows what the movement of corn was the six working days of last week from Argentina? If he does not, I will state that it was over 7,000,000 bushels from Argentina alone, and that the freight from Buenos Aires is about 11½ cents—short of 12 cents.

Mr. SHIVELY. Our exports of corn of over 40,000,000 bushels last year to imports of 903,000 bushels in round numbers answers all that suggestion. The article is distinctly export, and the figures of Argentina export do not affect the fact.

Mr. WILLIAMS. Will the Senator pardon me while I ask the Senator from Illinois a question?

Mr. SHIVELY. Certainly.

Mr. WILLIAMS. What were the figures given a moment ago as the amount of corn exported from the Argentina to the United States?

Mr. SHERMAN. Seven million bushels.

Mr. WILLIAMS. In one week?

Mr. SHERMAN. Yes.

Mr. WILLIAMS. There must be something very remarkable going on.

Mr. SHERMAN. I am not saying to the Senator that it came here, I am not saying that all of it came here. I do not know the part that came here. That was the movement out of the port.

Mr. WILLIAMS. Oh, you mean that Argentina exported to the world that much?

Mr. SHERMAN. Yes.

Mr. WILLIAMS. What in the name of common sense has that to do with this question? It has nothing to do with it.

Mr. SHERMAN. It certainly has; and I asked it with the avowed purpose of connecting it with the remark made by the Senator from Indiana—without the duty how much of it would come here under the bill? If corn is free listed, how much of that would come here; would it increase the quantity? And the Senator has not yet answered except that it might come in increased volume.

Mr. WILLIAMS. I beg pardon of both Senators. I misunderstood the statement. I understood the Senator to state that 7,000,000 bushels were imported here in one week. I was marvelously astonished and wanted to get further information.

Mr. SHERMAN. I will say to the Senator from Mississippi that it was simply the movement from that part.

Mr. SHIVELY. Certainly; Argentina's exports are corn, wheat, beef, and other agricultural products. Her exports of corn go in large part to the same countries to which our export is sent. In the presence of vast exports of wheat and corn into the world's market, imports in large volume at the same time are impossible. They go abroad because of the higher price there. The stream is outward, not inward. No market is oversupplied that pays the higher price nor undersupplied that pays the lower price. It seems difficult for the Senator from Illinois to interpret the significance of our export and import trade. It is impossible to conceive of cargoes of export and import of articles of like kind and quality passing one another in opposite directions. If the price were higher here, the article would remain here. There would be no export. If the price were higher abroad, the corresponding article would not come here. There would be no import.

Mr. CLAPP. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. SHIVELY. Certainly.

Mr. CLAPP. When the Senator started to make his statement I was engaged in writing. I ask, is the Senator speaking of wheat?

Mr. SHIVELY. I am speaking of corn now, because the Senator from Illinois became curious about the matter of corn and called my attention to it.

Mr. CLAPP. I want to remind the Senator that while we call a subject generally wheat, there is a vast difference in its relation to home consumption and foreign exportation, between the wheat that is raised in certain sections of the country and the wheat that is raised in other sections of the country. The fact that a soft wheat may be exported is no evidence that the hard wheat of our section can be exported. While we call all wheat, one is a subject of export, the other is a subject of import.

Mr. SHIVELY. That there are different grades of wheat is true. That there may be heavier exportation of some grades than of others is true. But the broad, plain fact that, all told, last year our imports of wheat of all kinds were only 797,528 bushels as against an exportation of 91,602,974 bushels of wheat of all kinds, or 1 bushel of import to 114 bushels of export, shows the dominating influence of the export market as the pricing agency in the domestic market.

Mr. CLAPP. I can not let that statement go unchallenged. We raise in the northern tier of States and out in the Northwest one character of wheat and they raise in Canada practically the same kind of wheat.

Now, the fact that we export a different kind of wheat from the States farther south has no relation to the fact as to the wheat that we raise in our States. It will meet in competition without any duty the importation of similar wheat from Canada; and that is what we complain of.

Mr. SHIVELY. Why, within the last year and by to-day's quotations the price of northern No. 1 is higher at Winnipeg than at Minneapolis, higher on the Canadian side of the line than on the United States side of the line. This accounts for the trifling importations as compared to exportations. At other times the prices may be reversed; but at all times the exports from this country are vastly in excess of imports.

Mr. CLAPP. We have in fact several grades in the Northwest. Canada fixes her own grades. The fact that a certain grade was higher in Winnipeg than another grade was in St. Paul, Minneapolis, or Duluth proves nothing. What we are contending for in this struggle is that we raise a particular kind of wheat, and that same kind of wheat may be differently graded in Canada; but whatever you call the grade it makes the same product as our grade.

Mr. WILLIAMS. Mr. President, if the Senator from Indiana will pardon me, does the Senator from Minnesota mean to say that none of that grade of wheat is exported from the United States?

Mr. CLAPP. Very little; so little that in 1911, when they were trying to force free Canadian wheat upon us, we were unable to obtain the freight rates on our kind of wheat from Minneapolis and Duluth to Liverpool.

Mr. WILLIAMS. When the Senator says that none of that sort of wheat is exported, does he mean that none of it is exported in the shape of wheat and that none of it is exported in the shape of flour either?

Mr. CLAPP. I mean in wheat.

Mr. WILLIAMS. My understanding is that that is correct; that it is nearly all turned into flour and exported in that shape.

Mr. CLAPP. Exactly.

Mr. WILLIAMS. And when exported in the shape of flour it meets with competition in Argentina as well as in England and elsewhere. Now, to say that wheat is not exported just simply because it is not exported in the raw would mislead. If it is turned into the finished product, flour, and then exported it is still exported.

Mr. CLAPP. If the Senator from Indiana will pardon our somewhat incidental discussion here—

Mr. SHIVELY. I indulge the Senator, but I want myself to close in a few minutes. It was not my purpose to speak at length.

Mr. CLAPP. I will be very brief. The fact that while our wheat is not exported and can not be exported to Liverpool because of the difference in the price between our wheat and the other wheat of this country, and while in a broad generic sense all flour may be the same, nevertheless we get the benefit of the difference in the price of the wheat, so long as there is that difference in the price, between Liverpool and Duluth, which precludes shipping or exporting our wheat through Duluth to Liverpool. That is just the trouble. If we could have a voice in this matter, if this matter could be considered from the

viewpoint of our section, I believe it would result in a different ultimate condition of this tariff.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. SHIVELY. Yes.

Mr. GRONNA. The Senator from Indiana has referred to the quotation of the price of wheat in two places in his speech this afternoon. Will the Senator from Indiana state of his own knowledge that the Canadian wheat sold at a higher price than the American wheat, quality considered?

Mr. SHIVELY. Mr. President, so far as my personal knowledge is concerned, the wheat on this side of the line may have been better than the wheat on the Canadian side, or the wheat on the Canadian side may have been superior to the wheat on this side. But when I see grades given precisely the same name on both sides of the line and quotations for both sides made and published on the grades so named I infer that the likeness of description in grade means substantial likeness in quality. But my contention goes to the general aspect of wheat production and trade in relation to the tariff. Wheat is sown some place on this earth every day of the year. Wheat is reaped some place on this earth every day of the year. When the farmers of our Northern States are around their firesides in midwinter the farmers of the Argentine Republic are reaping their ripened harvest. Later the farmers on the table-lands of India are gathering their harvest. At another time the farmers in the valley of the Nile are gathering their harvest, and at still another time the farmers on the plains of Russia are gathering their harvest. The surplus wheat from all these fields is poured into the great market of western Europe in open competition with the surplus wheat from the fields of the United States. From that great surplus market the price ranges on a downward incline plane back past the American farm. To the level of prices thus fixed the farmer brings his wheat. He stands between two markets, neither of which he controls. He makes his sales at prices fixed by others. He makes his purchases at prices fixed by others. As to his great staples, he makes his sales unassisted by tariffs and in open, constant competition with the whole world. He makes his purchases at combination prices written to artificial levels behind the shelter of tariffs which are potent to plunder him, but ineffective to protect him. By the exactions to which he is subjected on his purchases the natural gains of his labor and sacrifices are sponged away from him into splendid fortunes to those in whose interest the tariff was written.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield further to the Senator from North Dakota?

Mr. SHIVELY. Yes.

Mr. GRONNA. The Senator from Indiana has stated that we are exporting wheat from the United States. The Senator from Indiana and I do not disagree on that. Now, I ask the Senator from Indiana if Canada does not also produce a surplus of wheat, and where does that surplus go? If Canada has a surplus of wheat, why does that surplus coming from Canada bring a higher price than does the surplus coming from the United States unless prices are based upon grades fixed arbitrarily, fixed in one place differently from the other?

Mr. SHIVELY. Of course, northwestern Canada is export in the matter of wheat, as is the United States.

Mr. GRONNA. They raise nearly 200,000,000 bushels.

Mr. SHIVELY. Both countries export wheat. Much of the exports of both countries reach precisely the same market. The price of both is there fixed by the same competition, and the matter of grading, though material to the merchant, is not material to the tariff question.

Mr. GRONNA. Oh, it is very material.

Mr. SHIVELY. Both countries being exporters to the same market, the price descends backward to the farms of each.

Mr. GRONNA. The Senator and I agree on one proposition, namely, that the United States and Canada both export wheat. As the Senator knows—he has the figures there—Canada produced last year about 200,000,000 bushels of wheat. With a population of about 8,000,000 it must necessarily export 150,000,000 bushels. Now, my query to the Senator from Indiana is this: Unless there is a difference in the standard of grades, will the Senator from Indiana give the Senate the information why wheat exported from Canada brings a higher price than wheat exported from the United States? That is a very important question.

Mr. SHIVELY. If grades of the same name sell at different prices in the same market it would indicate a difference in standards of grades. If the Canadian wheat is the superior in quality of course it would bring the higher price in the same

market, though somebody should give the lower quality the same name.

Mr. GRONNA. Mr. President, if the Senator will permit me, I stated to the Senate this morning—and I submitted proof in connection with that statement based upon actual business transactions by men who are engaged in the business—that the Canadian grades were of a higher standard; that all the No. 2 northern Canadian wheat would pass for Minnesota No. 1 northern, and that a great portion of the No. 3 northern Canadian wheat was as good in quality as No. 1 Minnesota wheat. The difference in price, I will say to the Senator, is, on contract, 6 cents on the No. 2 and 8 cents on No. 3.

Mr. SHIVELY. What was the Senator's question?

Mr. GRONNA. I asked the Senator a question, but it seemed the Senator did not wish to answer it, and the Senator asked me, if I understood him correctly, what my contention was. I am trying to tell the Senator what my contention is. Canadian No. 2 northern and No. 3 northern as graded arbitrarily, I will say, by a board of trade as against the grades established by the inspectors of the State of Minnesota under a State law, will come up in quality to the No. 1 northern grade of the Minnesota grain.

Mr. SHIVELY. There are surpluses in both countries. These surpluses are exported. We can not by legislation change the quality of wheat raised in North Dakota nor of that raised in Canada.

Mr. GRONNA. But the Senator from Indiana will admit, I assume, that the transactions are not done upon samples of wheat. The business is done upon certificates.

Mr. SHIVELY. I think that is true. But these differentiations and refinements on standards and grades do not meet the main question. That we exported alone in whole wheat and wheat in flour more than two-thirds as much wheat as Canada produced in the same period and over one hundred and forty times as much as we imported are the material and important facts touching the usefulness or uselessness of a tariff on wheat to the farmers of the country.

Mr. STERLING. Mr. President, I should like to ask the Senator a question before he takes his seat. He has referred to the tariff on agricultural products, and particularly on wheat, as being imposed for sentimental or political purposes. I want to call the Senator's attention to a table, for which I am indebted to the senior Senator from North Dakota [Mr. McCUMBER] in his admirable speech delivered in the opening of the debate.

It appears that on the 6th day of April, 1912, the following prices were paid for wheat at different points in North Dakota and in Canada, these several points in Canada and North Dakota being from 1 to 5 miles apart, and in one instance the sales were at a town on a line running between North Dakota and Canada:

The price of wheat in Pembina was 95 cents; in Emerson, near by, 86 cents; in Neche it was 95 cents; and in Gretna, near by in Canada, it was 86 cents; and so on through a dozen points on either side of the line, the difference being about 11 cents per bushel on that day.

I turn to another table, with reference to barley. It sold on the same day, April 6, 1912, at Pembina at 90 cents, and across the line at Emerson it sold at 60 cents; at Neche the price was 90 cents, that being in the United States, while across the line in Gretna it was 50 cents, and so on down, the price running in Canada all the way from 45 to 60 cents, and in the United States all the way from 87 to 90 cents.

Mr. MARTINE of New Jersey. Were all those for the same grades of wheat?

Mr. STERLING. Let me ask the Senator from Indiana if that difference in price is all husks to the American farmer? It must be taken for granted that this wheat raised there in the same neighborhood was practically of the same grade.

Mr. MARTINE of New Jersey. That is not a safe assumption at all.

Mr. SHIVELY. The Senator is swift to take everything for granted necessary to make a case. The senior Senator from North Dakota, after quoting those figures for 1912, admitted that wheat is ruling higher the present season on the Canadian side than on this side of the line. The tariff was not changed. There is to-day, as there is every year, an even wider range of prices in the United States than in Canada. There is a far wider difference of prices on wheat in different parts of this country than any difference shown to exist at the Canadian line. As well attribute the difference in price between Fargo and New York City to the tariff as to ascribe all the eccentricities of the wheat market in Northwestern Canada to the tariff. The tariff, like an impassable mountain range, may facilitate a buying control on one side of the line and temporarily depress the price, but the surplus from both sides in form of wheat or

four goes to the same market and, quality for quality, brings the same price. The difference in price, of which the Senator speaks, is not husk and humbug, but the notion that this difference is produced by the tariff or that the tariff is an enriching influence to the American farmer is husk and humbug.

Mr. President, I have consumed far more time than I intended. This has been due to interruptions, though of this I do not complain. In this time I have discussed the tariff as it affects the farmer on his selling side and indicated how little part or lot he has in the tariff as a beneficiary. In his buying markets he has been the constant victim of its exactions. In the course of colloquy several Senators have inquired why we have not placed articles which the farmer must buy on the free list. I have said that in this respect the bill answers for itself. But with the indulgence of the Senate I add that, among other articles, we have taken from the dutiable schedules and placed on the free list the plow, the harrow, and the cultivator; the wagon, the thrashing machine, and the clover huller; the horse-rake, the baler, and the stacker; the cotton gin, the shredder, and the traction engine; the nail, the spike, and the horseshoe; the barbed wire, the harness, and the lumber; the grain drill, the mower, and the harvester; the boots, shoes, sewing machines, and bagging cloth; and have reduced the duty on every other useful article that the farmer purchases for his farm or his household.

Mr. JAMES. If the Senator will permit me, I should like to put in the RECORD some figures in reply to the argument of the junior Senator from South Dakota [Mr. STERLING] as to the difference in the price of wheat right across the line in Canada and the United States by which he undertakes to create the impression that the tariff causes the difference in price. The report of the census shows that in 1912, on December 1, the price of wheat on the farm in Indiana was 93 cents, in Illinois 88 cents, in Michigan 96 cents, and in Wisconsin 83 cents. The Senator might take some of the time of the Senate and explain to us what caused the difference in the price of wheat from 5 to 15 cents a bushel on the same day of the same year in States lying side by side with each other and under the same tariff rate.

Mr. BORAH. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] gave to the Senate this morning some figures showing the difference in the cost of production here and abroad of some of the products in which we are interested just now; and, with his usual accuracy, he has demonstrated that there is a difference in the cost of production here and abroad as to some of the agricultural products. So we might, if we chose, rest our argument on that principle. But to my mind there is a broader question involved in the discussion than that of the difference in the cost of production here and abroad, so far as agricultural products are concerned.

It has been argued to the American producer and the American farmer for a great many years that there should be built up here in this country a permanent home market. While at the time the discussion began it was not demonstrable that it was of any peculiar or exceptional benefit to him at that time, yet when there should have been established a home market which would be steady and near him he would in the end come to enjoy the benefit of having that home market at hand. That discussion continued through a long number of years, especially upon the part of the party to which I belong.

As was said by the Senator from Wisconsin this morning, there came a time when the American farmer began to enjoy the home market. As that time approached it was noticeable in this country that there was a disposition upon the part of all parties to turn over that home market to some one other than the American farmer, or at least to make him compete for it. As soon as it was discovered that in all probability this home market was proving of some value and of some benefit to the American farmer, our friends in the East began to say among themselves: "We should like to purchase our agricultural products from Canada. We can go over into Canada; it lies closer to some of us; the transportation is shorter in some instances. In any event, if we have the vast agricultural fields of Canada competing with the agricultural interests of the United States, it stands to reason we will get our agricultural products cheaper than we do now." So there grew up in this country within the last few years this idea of reciprocity with Canada as to farm products.

What was the basic principle upon which the proposition of reciprocity with Canada was based? How and why was it argued that we should enter into this relationship with Canada? It was argued throughout the country where it had most effect that it would inevitably give the American consumer cheaper products; that it would benefit the people in the towns and cities; and that by reason of throwing into the American mar-

ket the agricultural products from the great fields of Canada it must necessarily follow that the American consumer would get the benefit of it.

Of course the consumer could not get the benefit of a cheaper price unless the price were reduced; and a reduction of the price must necessarily affect the price which the American farmer was to receive for his product.

The argument which was made in the Senate two years ago, on both sides of the Chamber, was based upon that proposition—that free trade between these countries would give us cheaper farm products, and thereby necessarily compel the American farmer to sell in a cheaper market. Does any one contend that that was not the theory upon which reciprocity was urged? Some of us opposed the measure at that time for the reason that we believed it would have the effect of reducing the price of farm products, although we did not believe that the reduction of price to the farmer would necessarily reach the consumer, for the reason that it would be taken up by meat and flour combines, as proved literally true in the case of free hides. Everyone knows we placed hides on the free list to get cheaper leather goods, but that instead of leather goods going down they went up. The reciprocity measure nevertheless passed this body, passed the other body, and became, so far as we were concerned, a law. Fortunately, it was afterwards defeated through no efforts of ours.

This bill carries out precisely the same policy that was embodied in the reciprocity treaty, and I assume for the same purpose and for the same reason. I must say, however, that there is no inconsistency between the position which our Democratic friends assume and their former teachings, because they have advocated, whether they have been willing to put it in effect or not, free trade from the beginning. There certainly was an inconsistency so far as the party to which I belong was concerned. But if our Democratic friends had treated in this bill the farmer as they have treated others we would have no right to complain. But they are not willing to apply free trade except to the producer.

If the home market does not belong to the American farmer; if, so long as we have agricultural land in this country sufficient to feed 200,000,000 people, the home market does not belong to those who are prepared and ready to furnish it when the prices are such as to induce them to go into the business, then there is nothing in the doctrine of protection.

If protection is not a system, whole and entire, a policy universal in its effect and application, diversifying industries, giving men different avocations and walks in life, through and by means of which we develop citizenship, then it is a proposition that can not be defended on any ground at all.

So the moment the Republican Party brought into Congress the doctrine of reciprocity, or free trade for the producer and protection for the manufacturer, that moment it presented an argument against protection which could not be answered. The first time the American people got an opportunity to deal with the subject, while it may be "sentimental," it may be "fanciful," the American farmer repudiated the doctrine that he should be compelled to sell in a free-trade market and buy in a protected market. He administered his rebuke to us, and he will administer his rebuke to you.

We have had some difficulties in our party for the last few years, and some of those difficulties have been so personal in their nature that we have overlooked some of the others which were economic and were superinduced by reason of a change in policy. But one of the reasons why the Republican Party met such disaster in the last campaign was the fact that the most loyal constituency a party ever had—the American farmer—had been betrayed, and he resented it. We will either get right on this question and stay right, or we will stay whipped—not by a party which does the same thing, but by some party big enough and broad enough and brave enough to treat all our people alike.

I have heard considerable discussion in this Chamber at this session of the disposition of the present incumbent of the White House to enforce his ideas with reference to this tariff bill, a subject which I am not about to discuss. I only want to say that I do not get very much comfort out of these criticisms, for if the Republican Senators in this Chamber had voted according to their convictions when the reciprocity bill was passed, in my judgment, there would not have been 10 votes in favor of it on this side of the Chamber. It was a disaster; it was a treacherous betrayal of as loyal a constituency as a great party ever had. I denounced then and I denounce now.

We have precisely the same thing in this bill. While it does not impeach the Democratic Party with the inconsistency with which the reciprocity bill impeached us, it will have, in our judgment, precisely the same effect. The discrimination in this

bill against the American agriculturist I think must be apparent even to the supporters of the measure. It is true that they argue that there is no discrimination because of the fact, as said by the Senator from Indiana, that the farmers are not benefited now. But if we be right, if the American farmer be right in his belief that the present law does benefit him, then I think no Senator upon that side of the Chamber would contend that this bill itself is not aggressively discriminatory against the American producer and against the American farmer.

A leading London paper said a short time ago:

The new tariff justifies the wisdom of the Canadian people in refusing to bargain away their economic independence at the instance of President Wilson's predecessor. A large portion of what was offered to the Dominion on condition of becoming an adjunct of the United States is now presented to her for nothing.

All people who have interpreted it from the outside have considered the bill as carrying within itself the same discriminatory features against the American producer that the reciprocity bill contained.

My able friend from Montana said awhile ago that the duty upon these farm products was a "mental duty"—a felicitous phrase, and one which I have no doubt represents the conviction of the Senator from Montana. But let me ask this question: If it is a mere mental duty, affording the American farmer merely some sentimental pleasure if indeed it does not protect him in any way whatever, pray tell me what possible benefit will be derived by the American consumer by reason of taking the duty off of agricultural products?

We know that it has been argued, interviews have been given, speeches have been made, that one of the objects and purposes of this bill was to reduce the cost of living. I have many of them here upon my desk, and I think I may say that I have read no less than 20 articles and speeches to the effect that the cost of living would be reduced to some extent by reason of taking the duty off these agricultural products.

Of course, if it be true that this duty is a mere mental duty, then the arguments which have been made that taking it off would reduce the cost of living are mere mental gymnastics. The one must follow the other, because if it does not injure the American farmer it must necessarily be that it will not benefit the American consumer. So I say that there is a broader question involved in this discussion than the mere question of the difference in the cost of production at home and abroad.

Mr. President, almost every civilized nation has experimented at some time or other with the building up of its purely commercial interests at the expense or through the neglect of its agricultural interests. Every nation which has done so has suffered—its social and economic conditions have become involved and weakened, its standard of citizenship has deteriorated, and distress has been the ultimate result. The agricultural interests are generally at a great disadvantage in such a contest. They have not the means nor the time generally for a close and effective organization, they have not the access to the instrumentalities through which public opinion may be formed, and they are generally, so far as numbers are concerned, inadequately represented at the council table where measures are framed or in the halls of legislation where they are enacted into laws. One has been indifferent indeed to passing events for the last 20 years who has not observed the dominance of the purely commercial interests in legislation and administration and the setting in of the movement in this country which at certain periods has been started in other countries.

This bill before us is the most pronounced step in that direction yet taken. It is unwise, to my way of thinking, in many of its features as to all interests, but as to the agricultural interests it is not only unwise but harsh and condemnatory. That interest which is free of combines and monopoly, that interest in which competition still prevails in its fullest scope, that interest which is just now coming to its own in the realization of fair compensation and fair prices is to be made more and more the hewers of wood and drawers of water for all other interests.

I want therefore to survey briefly some historic facts, for we are only repeating history. We are only doing, without half the reason or justification, what other people equally presumptuous and equally shortsighted, equally subservient to false theories, and equally blind to the true principles of national strength have done. I do not want to torment inconstant hearts by recalling the advice of discarded deities, but I remember as I speak of it that Jefferson said:

The agricultural capacities of our country constitute its distinguishing feature, and the adapting our policy and pursuits to that is more likely to make us a numerous and happy people than the mimicry of an Amsterdam, a Hamburg, or a city of London.

And again he said in 1817:

The history of the last 20 years has been a significant lesson for us all to depend for necessities upon ourselves alone.

A nation with countless thousands of acres of agricultural lands capable of producing almost everything through its various climates which comes to the table in the way of necessities, a nation thus equipped ought to adopt those policies which will encourage and protect, foster and build up its agricultural interests. We ought to give strength to our citizenship, breadth and wholesomeness to our civilization, health and permanency to our social order, and economic soundness to our industrial life by encouraging men to leave the centers of population and go to the farms by preparing in a distinct and settled and positive way to live off of our own acres, out of our own gardens, and from our own farms.

The American market belongs to the American farmer. Any policy which takes that market away from him or compels him to compete with others for it under such conditions as to embarrass or discourage is unwise both as a question of economics and a question of government. It is a policy which was condemned by Washington, by Jefferson, Madison, Monroe, and Jackson, by Lincoln, McKinley, and Roosevelt. It is a policy which has been condemned not only from the lips of wise and devoted public servants, but it has been condemned by experience, and its unwisdom, its folly, are written in unmistakable terms over more than one page where we find recorded the fatuous efforts of men to adopt it.

Mr. President, as I said a moment ago, we have in this country sufficient agricultural land to feed 200,000,000 people. We have vast areas of abandoned and unoccupied farms. Take the great State of New York, the Empire State of the Union. There are large areas of land in that State which have become vacant and unoccupied. The people have moved into the cities. They have left agricultural pursuits, diminished the field of production, and increased the field of consumption.

That is true with reference to a great many of the Eastern States. We are now engaged in every way which ingenuity has been able so far to suggest in different schemes by which to invite people to go to the farms, by which to turn the immigration from the cities back to the agricultural region. It is a matter which is engaging the attention of the best thinkers and the greatest publicists of our Nation how to take from these congested centers, where American citizenship is being degraded and broken down by a condition of affairs and environment which they can not conquer, and turn people to the American farms, to the agricultural regions.

So long as we place a discriminatory statute upon the statute books which has the effect of lessening the incentive to agriculture and of stimulating the incentive to manufacture, that condition will go on and all the theorists and party policies and organizations for country life will have pursued their work in vain.

I am not going to take much of your time to go back in ancient history. I know that the Senate would be impatient to go into these matters, but I do want to call attention very briefly to two or three instances which, it seems to me, throw some light upon the question that we have got to take care of our agricultural interests in order to maintain and take care of our citizenship and our civilization.

Early in the Roman history Rome concluded, through her Emperors, to rely upon foreign nations for their food. Tacitus, speaking of this matter, said:

Formerly their armies in their distant provinces were provisioned from fertile Italy, but now they had preferred to exploit Africa and Egypt, and the lives of the Roman people were given up to the chances of the winds and the waves.

In other words, at this time Rome began to purchase her agricultural products exclusively of those two nations, where they could be produced so much cheaper, upon the theory that it was best to purchase where you could purchase cheaper. The result of that is known to all the writers of Roman history. It had the effect of causing the abandonment of all the great agricultural fields of the Roman Empire.

The historian Treitschke, writing upon that subject later, said:

Old industries also require protection against foreign competition. In this respect Italy teaches us a valuable lesson. If protective tariffs against Asiatic and African breadstuffs had been introduced in time the old Italian peasantry would have been preserved and the social conditions would have remained healthy. But Roman traders could import cheap grain from Africa without hindrance and the rural industries decayed, the rural population disappeared, and the Campagna which surrounds the capital became a vast desert.

The landowners and workmen of Italy left the agricultural fields of Italy, crowded into the cities of Italy, and became a mob living upon the products of foreign nations, and for all time measuring the degradation and fall of that illustrious citizenship. Mixed up with and an inseparable element of the disintegrating forces of the Roman nation was the decay of her agriculture.

Mr. President, in 1842 Peel presented his famous budget to Parliament. He announced that in the end it would enable him to reduce duties, and the final result was free trade for England. It was said that the English people were entitled to a free market basket, and therefore the agricultural interests were put in competition with the agriculture of the world. The producers of England were placed in open and free competition with the producers of all countries. It is interesting to note the debate which took place at this time. It was clearly demonstrated by facts and figures that there was no place from which agricultural products could come and compete with the agriculturists of England. It was said that France could not furnish any wheat and that the people of the United States had need of more than they were producing, and that in any event the freight charges were an absolute protection, and merchants and business men demonstrated with their usual accuracy that the agriculturists of England need not suffer because of the great freight charges.

The effect of this policy, however, was altogether different from that which it had been figured. The depression in agriculture was immediate, lasting, and ruinous. Business distress and business demoralization, so far as the agricultural interests were concerned, were universal. It is now a fact of which the English historians take notice that the suffering and poverty among the farmers of England was startling.

I am not going to stop to argue to-day whether free trade for England, situated as England was, was a good thing for her or not. I only want to show from the history of the agricultural interest of England that from the day and hour that the free-trade policy was inaugurated the story of the agricultural industry in England is as sad and tragic as is anywhere to be found in the history of the world. I can give it to you better in figures than I can in words.

In 1866 England had in cultivation in wheat 3,126,431 acres. To-day she has in cultivation in wheat 1,804,045 acres. Wales had in 1866, 113,862 acres of wheat; to-day 33,487 acres. In the vast wheat fields, under the very shadow of the great manufacturing interests of England, where freight rates and transportation and all these questions work to the benefit of the agriculturists, they have passed from the wheat field to the truck patch and from the truck patch to pasturing, and to-day the hunter and his hounds pursue the game in almost the center of the great industrial interests of England.

In 1866 of barley they had an acreage of 1,877,387 acres; to-day they have an acreage of 1,337,513 acres.

Of rye, 50,570 acres in 1866; 39,962 acres now.

Of beans, 492,586 acres; to-day 299,346 acres.

Of peas in 1866, 314,206 acres, and but 166,182 acres now.

In 1866 the acreage of potatoes was 311,151 acres; to-day it is 402,505 acres; in this instance an increase.

In cabbage in 1866, 159,539 acres; to-day 139,513 acres.

In carrots, 15,598 acres in 1866; to-day 10,441 acres.

Mr. LODGE. Perhaps the Senator has not the figures, but I take it there was more decline between the repeal and 1866. In 1846, the date of Sir Robert Peel's repeal of the corn law, there was more land in wheat than there was in 1866.

Mr. BORAH. I think that is true, Mr. President. I had to take some period over which to measure. I took the period and figures as I found them tabulated by English writers on the subject.

Mr. LODGE. Certainly.

Mr. BORAH. But the entire table in regard to this matter will be found in Prof. Prothero's book on English farming, in the appendix.

But in addition to the figures, Mr. President, I want to read briefly some of the extracts which may be had from public men and impartial historians of that country, showing the decline in the agricultural interests of that country from 1846 to the present time.

February 19, 1850, Mr. Disraeli, in the House of Commons, after a petition had been presented showing the distress of the agricultural interests of that country, said:

We have to-night to inquire what is the best course to remove, if possible, certainly to mitigate, that unprecedented depression to which the petitioners have referred. We believe that that distress has been occasioned by recent legislative enactments—

To wit, the anticorn statute—

by the recent repeal of the laws which regulated the importation of foreign agricultural products.

In the same speech he calls attention to the fact that the cultivators of the soil for the last few years had realized nothing whatever from their lands. In the same speech he again says, speaking of the agricultural interests:

Their distresses are now severe. You can not alleviate those distresses by referring, as some of the noble lord's colleagues have done, to the otherwise rampant prosperity of universal England. It has been truly

said that it has been impossible to exaggerate the agitation which prevails out of doors with respect to this agricultural suffering.

On March 28, 1879, the same distinguished speaker said:

No one, I think, can deny that the depression of the agricultural interests is excessive. Though I can recall several periods of suffering, none of them have ever equaled the present in its intenseness. Let us consider what may be the principal causes of this distress. * * * The remarkable feature of the present agricultural depression is this—that the agricultural interest is suffering from a succession of bad harvests, and that these bad harvests are accompanied for the first time by extremely low prices.

Prior to that time, when the agricultural interests were depressed by reason of bad crops, they had at least been able to realize a fair price for their products, but at this time they were unable to realize a fair price by reason of the fact that the market had been taken away from them, or was being taken away from them.

That is a remarkable circumstance which has never before occurred, a circumstance which has never before been encountered. In old days, when we had a bad harvest we had also the somewhat dismal compensation of higher prices. That is not the condition of the present. On the contrary the harvests are bad and the prices are lower. That is a new feature that requires consideration. There can be no doubt that the diminution of the public wealth by the amount of £80,000,000 suffered by one class begins to affect the general wealth of the country and is one of the sources of the depression not only of agriculture, but also of commerce and trade. No candid mind could deny that this is one of the reasons for that depression. Nor is it open to doubt that foreign competition has exercised a most injurious influence on the agricultural interests of the country. The country, however, was perfectly warned that, if we made a great revolution in our industrial system and put an end to the policy of protection, such would be one of the consequences which would accrue. * * * Agriculture just now is producing much less than it did before. Nearly a million acres have gone out of cereal cultivation, and it is suffering from foreign competition, which, even in its own home market, it has unsuccessfully to encounter.

So, beginning, Mr. President, with 1851, only a short time after the repeal of the corn laws, after free trade was established, was the inception of the agricultural suffering among the agricultural interests of England.

There has never been a year, so far as my investigation has permitted me to go, in which there has not been an increase and accentuating of that suffering and that depression, and to-day Lloyd-George is striving with all the ingenuity within him to work some kind of relief to the agriculturists of England.

Mr. Walpole, in his History of England, volume 4, page 378, said:

It was calculated by a competent statistician, Mr. Giffin, that the average price of agricultural products was one-third lower in 1877-1879 than in 1867-1869. Every class connected with agriculture was suddenly confronted with severe distress.

Again, he says:

In every year from 1869 to 1879 about a hundred thousand fewer acres were sown with wheat in the United Kingdom and some 1,500,000 more acres were sown with wheat in the United States.

Again, he says:

Universal distress was again increasing the rolls of criminals in the country.

Mr. Paul in his history of England says:

There was, however, one class of workers—

He had been speaking of the general prosperity of England—who had nothing to spare for luxuries and too little even to provide themselves with the bare necessities of life. The agricultural laborers in 1872, though not nominally slaves, were unable by their utmost exertions to obtain on an average more than 12 shillings a week.

Molesworth in his history devotes a chapter to the distress of the agricultural interests from 1850 on.

In one of the land commissioners' reports of the royal commission, dated about 1894, it was said:

The acreage abandoned in despair is steadily increasing, and in a few years, unless some change takes place, whole parishes will be out of cultivation. Farmhouses, farm buildings, laborers, cottages are becoming ruins, and all this within easy distance of London. The most congested districts in Ireland afford no more alarming spectacle.

The evidence before the royal commission in 1897 disclosed an increasing spread of the disaster and distress. Farms were gradually being abandoned, drainage neglected, mortgages being foreclosed, and that condition still continues.

Mr. President, you can not measure that condition of affairs by any question of the slight rise in the price of food, even if such were true, as to the other citizens of the country, although, in my opinion, it would not be true. It is not the price of farm products which makes the high cost of living, but the combinations which control the American market place. In this great Republic, which has such a large agricultural area, it stands to reason that we should produce that which we are to consume. If we had a limited area, if the congested centers were not over-occupied, if the healthy condition of American citizenship could be maintained, there might be some argument which would convince me in the handling of these statistics and in the questions of supposed increased prices. But anything which makes the farm idle or would leave the great agricultural fields unoccupied would be a menace to our citizenship and our institutions which

it would be difficult, in my judgment, for human language to measure or portray.

Mr. WARREN. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. BORAH. Yes, sir.

Mr. WARREN. I hold in my hand a telegram received to-day from London as to the cost of living there. I do not know whether or not the Senator has it there?

Mr. BORAH. I have not.

Mr. WARREN. It is in a few words. May I read it?

Mr. BORAH. Yes, sir.

Mr. WARREN. The item is in to-day's Washington Times, and reads:

COST OF LIVING UP IN BRITAIN 14 PER CENT.

LONDON, August 13.

Striking figures showing the increased cost of living are contained in a voluminous report issued by the British Board of Trade, according to which present prices are the highest in 25 years.

Retail prices of food have risen 14 per cent since 1900, while wages have increased only 3 per cent.

Prices of almost all foodstuffs, except tea and sugar, have risen, the greatest increases being in bacon, 32 per cent, and potatoes, 46 per cent. People have been able to meet the advances only by reducing consumption.

This, I thought, would be apropos of the very able argument the Senator from Idaho has been advancing as to farming or the lack of farming in Great Britain.

Mr. LIPPITT. Mr. President, will the Senator from Idaho yield to me a moment?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. BORAH. I do.

Mr. LIPPITT. I desire to ask the Senator from Wyoming to what nation those figures apply?

Mr. WARREN. The telegram is from Great Britain—London, England—and, of course, as the Senator from Rhode Island will understand, a matter of 3 per cent increase in wages upon the basis that wages rest in England would not correspond with an advance of 3 per cent in wages in this country, but would be much less in dollars and cents.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator from Idaho?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I do.

Mr. CHAMBERLAIN. I understand all those commodities in Great Britain are on the free list. If that be true, I can not understand how farm products could be increased in value under the theory that the Senator from Idaho is now expounding.

Mr. WARREN. If the Senator from Idaho will allow me just a moment to answer that, I will say that it is perfectly plain that if you make the occupation of farming so unprofitable that farmers will leave their land uncultivated, as the Senator from Idaho has well portrayed in Great Britain, the natural result of that in time must be higher prices and a higher cost of living.

Mr. CHAMBERLAIN. May I interrupt the Senator from Idaho just once more?

Mr. BORAH. Yes, sir.

Mr. CHAMBERLAIN. As I understand it, the distinguished Senator from Idaho is discussing what might be the tendency of the pending bill, which places a great many agricultural products on the free list. As to the abandoned farms of which the Senator from Idaho has been speaking, that has all occurred under the highest protective tariff we have ever had.

Mr. WARREN. The Senator from Idaho was also speaking of abandoned farms in Great Britain because of the free importation of farm products into that country.

Mr. CHAMBERLAIN. In New York and in New England also the Senator has spoken of farms being abandoned.

Mr. BORAH. Mr. President, the Senator from Oregon [Mr. CHAMBERLAIN] is correct. I did speak of that fact, and it is a fact; but what I said was and what I repeat, and as was suggested by the Senator from Wisconsin [Mr. LA FOLLETTE] this morning, the American farmer is approaching the time when it is demonstrable that he can receive some benefits from this system. From 1870 to 1890 there was thrown under cultivation in this country, by reason of the occupancy of the great Mississippi Valley, an agricultural region almost equal to that of Canada. By reason of the spread of the agricultural interests and by reason of the occupancy of so much of that land, the production of agricultural products was such that everyone knows that the prices, as we say, went to pieces. The farmer burned his corn and his hay rotted in the stack. Now the

American farmer is coming back for the first time in 30 or 40 years. During the last 10 years his prices have been going up where he could receive a reasonable compensation for his services.

Just as that condition of affairs is happening, when this system may be so distributed that he may share its benefits, the selfishness of mankind, always predominant, proposes to put him again in competition with an area equal to that of the great Mississippi Valley when it was put under agricultural dominion. Everyone knows that the agriculturist in this country has suffered; that he has not shared either in legislation or otherwise; but the sad part of it is not only that he has not shared, but there seems to be a determination now that he shall not share. As the time approaches when the great home market is to furnish him adequate compensation for his labor the long season through he is put in competition with Canada and Argentina.

If there is an industry in this bill with a duty or no duty which peculiarly threatens its destruction, it is an agricultural industry; if there is an industry here above which is suspended the Damocles sword of an experiment, it is an agricultural industry. The beet-sugar grower, the cane-sugar grower, the sheep raiser, and the general farmer, and those things which are attached to the farm, representing the great producing and agricultural interests of this country—it is their products which are put upon the free list.

But, Mr. President, before I take final leave of the subject I want to quote a little further from English history.

Mr. Prothero, in his standard work on English farming, says:

Since 1862 the tide of agricultural prosperity had ceased to flow; after 1874 it turned and rapidly ebbed. A period of depression began, which, with some fluctuations in severity, continued throughout the rest of the reign of Queen Victoria and beyond. Farming suffered from the same causes as every other home industry. In addition, it had its own special difficulties. The collapse of British trade checked the growth of the consuming power at home at the same time that a series of inclement seasons followed by an overwhelming increase of foreign competition paralyzed the efforts of farmers. In 1875-76 the increasing volumes of imports prevented prices from rising to compensate deficiencies in the yield of corn. At the moment when English farmers were already enfeebled by their loss of capital they were met by a staggering blow from foreign competition. They were fighting against low prices as well as adverse seasons.

Speaking of the report of the Duke of Richmond's commission upon the subject of agriculture, the same authority says:

The report of the commission established beyond possibility of question the existence of severe and acute distress, and attributed its prevalence primarily to inclement seasons, secondarily to foreign competition. The worst was by no means over. On the contrary, the pressure of foreign competition gradually extended to other branches of agriculture. The momentum of a great industry in any given direction can not be arrested in a day; still less can it be diverted toward another goal without a considerable expenditure of time and money. But as time went on the stress told more and more heavily. Manufacturing populations seemed to seek food markets everywhere except at home. Enterprise gradually weakened; landlords lost their ability to help, farmers their recuperative power. Prolonged depression checked costly improvements. Drainage was practically discontinued. Both owners and occupiers were engaged in the task of making both ends meet on vanishing incomes. Land deteriorated in condition; less labor was employed; less stock was kept; bills for cake and fertilizers were reduced.

Again, the author says:

In September, 1897, a royal commission was appointed to inquire into the depression of agriculture. The evidence made a startling revelation of the extent to which owners and occupiers of land and the land itself had been impoverished since the report of the Duke of Richmond's commission. It showed that the value of produce had diminished by nearly one-half, while the cost of production had rather increased than diminished; that quantities of corn land had passed out of cultivation; that its restoration while the present prices prevailed was economically impossible; that its adaptation to other uses required an immediate outlay which few owners could afford to make. Scarcely one bright feature relieved the gloom of the outlook. Foreign competition had falsified all predictions. No patent was possible for the improved processes of agriculture. They could be appropriated by all the world. The skill which British farmers had acquired by a half a century of costly experiments was turned against them by foreign agriculturalists working under more favorable conditions. Even distance ceased to afford its natural protection, either of time or of cost of conveyance, for not even the perishable products of foreign countries were excluded from English markets.

The present chancellor of the exchequer of England, the famous Lloyd George, standing in his place in Parliament, declared:

There is no important industry in which those who are engaged in it are so miserably paid as that of the agricultural laborer. I think their wages and their housing conditions are a perfect scandal to this great country. My honorable friend has called attention to the fact that there has been a great deal of emigration and, what is still more important, migration from the agricultural districts during the last few years. Those who are acquainted with the facts will not be astonished at the numbers who have left those districts and they must be surprised that many more have not left. When wages are so much better in the mining areas and other areas it is marvelous that able-bodied men should be prepared to go on laboring at all seasons for the miserable reward which labor on the soil brings to them. We are losing our population in rural areas and in some respects the best part of our population. You can not get a great country

built up permanently on conditions which make rural life unpopular, putting it at its lowest, and that is really the case now.

The chancellor, speaking in Parliament at an earlier date in April, 1909, said:

Any man who has crossed and recrossed this country from north to south and east to west must have been perplexed at finding that there was so much waste and wilderness possible in such a crowded little island. There are millions of acres in this country which are more stripped and sterile than they were and providing a living for fewer people than they did even a thousand years ago—acres which abroad would either be clad in profitable trees or be brought even to a higher state of cultivation. * * * We are not getting out of the land anything like what it is capable of endowing us with of the enormous quantity of agricultural and dairy produce and fruit, and of the timber which is imported into this country a considerable portion could be raised on our own land.

Mr. President, it is not my purpose to pursue this feature of the discussion further, nor shall I enter upon an analysis of the contemporary conditions in England—although the latter would be an interesting subject and possibly more instructive than the past. Cobden said that it was his purpose to make England the workshop of the world. We may admit for the sake of the argument that that has been accomplished. Let us concede the commercial supremacy of this marvelous nation; let us concede, furthermore, that situated as England is it was statesmanship to turn her course in the direction which was taken from 1842. But I do not envy her nor covet for our country her supremacy. Her industrial record discloses nearly a hundred years of continuous, unrelieved hardship, and deadening distress and poverty among her agricultural people. Her official records are crowded with report after report revealing in reluctant language the suffering and pauperism among her farmers. You may argue that free trade was not the cause of this, and I may argue that it was, and honest men may finally separate without agreement as to who is right.

But one thing is sure, the fact can not be denied, and if free trade did not cause the distress and suffering and abandoned acres it did not relieve from them. If it was not the cause, it was not the remedy. In any event the surging, discontented mob crowding Trafalgar Square, enjoying at most but half the wage of the laborer in America, and the thousands and thousands of acres once clothed in plenty, the home of that sturdy class of yeomanry who made England great, and so long as they lived kept her great, now abandoned, given over to utter waste or to the pleasure of the huntsman with his hounds, are not things for us to imitate—the policy which brings about these conditions is not a policy for the United States, with her millions of acres, with a Government dependent upon the wholesomeness and the strength of her citizenship, to adopt. Moreover, if free trade did not cause this condition, even if it can not remedy it, as it has not, I prefer to avoid that policy. I prefer yet awhile the doctrine of Jefferson, Madison, and Jackson, of Blaine, Garfield, and McKinley; all those who believe that we should produce what we want, depend upon ourselves for what we need, diversify occupation, build up citizenship, and keep the home market as an incentive and protection for those who have cleared the forests and conquered the desert and planted firmer and deeper than any other class the foundations of the Republic, both economically and politically.

It is said, as I have stated, that this is a "mental" or a mere "fanciful tariff," or, to put it in the more elegant and poetic language of the Senator from Indiana [Mr. SHRYVER], that it is a "humbug tariff." The Senator from Indiana has spent three hours this afternoon trying to satisfy the farmer that it is a "humbug tariff." It would have been very much easier to have just let it remain where it was if it did neither good nor harm, so that the American farmer could at least have had the felicitation of believing that he was protected. It did not hurt anybody, and it is not going to lower the price of the product for the man in the city. Bread is going to be no cheaper, he said; meat no cheaper; all the things which we eat no cheaper. Then why take away one of the mental pleasures of the agriculturist? Have we arrived at the point where we are not only going to deny him a substantial interest, but we are not even going to permit him to enjoy his mental pleasure and felicitation?

If it were possible, Mr. President, to benefit the consumers, then your argument would be strong in the places where that argument was made last fall; but when you say here upon the floor of the Senate that you can not benefit the consumer, then you give no reason under heaven or among men for removing this duty and the possible incidental protection which it may afford to the great producing interests of the country. The moment you say that you are going to reduce the cost of living by taking the duty off the products of the farm, you say that you are going to reduce the price of the farmers' products, and therefore, standing here, where the light beats upon the throne

and all that we say is recorded, and confronted by statistics and facts, you are compelled to admit that the argument made that you are going to reduce the cost of living is false in order that you may escape the proposition that you are reducing it at the expense of the American farmer.

A distinguished member of the Ways and Means Committee, after the bill had passed the House, had an interview in a New York paper which circulates throughout the Union, and in that interview he explained how they were going to reduce the cost of living. The interview is headed:

Effect of tariff on living cost.

This is an interview, and therefore I presume I am permitted to refer to it without a breach of the rules of the Senate. This distinguished member of the Ways and Means Committee, one of the various able men upon that committee, told the American people that they were going to reduce the cost of living in this way. He said:

Food: All duty has been taken off meats, fresh and prepared. This means that meat from Argentina can be imported to compete with the product of American packers. Under the Payne tariff the duty on bacon and hams was 20 per cent; on fresh beef, 18 per cent; on veal, 15 per cent; on pork, 8 per cent; on lamb, 16 per cent.

Fruits: All citrus fruits—lemons, oranges, and grapefruit—are reduced from 1½ to one-half cent per pound, opening the markets of the Mediterranean to this country. The Payne tariff effectively prevented competition and limited the citrus-fruit supply to California and Florida. All fresh fruits are cut from 25 cents to 10 cents a bushel, permitting importations from Canada and the Tropics.

Poultry, live, is cut from 3 cents to 1 cent per pound; dead, from 5 to 2 cents. Cheese is cut in various grades from 35 and 42 per cent to 20 per cent. This will particularly affect the cheaper grades, used in quantities by the average consumer. * * *

Butter, from 6 to 3 cents per pound; beans, from 45 to 25 cents a bushel; canned beans, from 2½ to 1 cent a pound; prepared vegetables of all kinds, from 40 to 25 per cent; pickles, from 40 to 25 per cent; eggs, from 5 to 2 cents a dozen; onions, from 40 to 20 cents a bushel; peas, from 25 to 15 cents a bushel; split peas, from 45 to 25 cents per bushel.

In this list of articles, through and by means of which the cost of living is going to be reduced, you find no articles except those which relate closely to the American producer and to his vocation and interests. Does anyone deny that the object and purpose, as it was expressed repeatedly during the last campaign, of the reduction of these duties was for the purpose of reducing the cost of living? Do not the campaign documents and the campaign arguments from one end of this country to the other show that that was the object and purpose? I think it was your belief that it would reduce the cost of living; but it could do so only by reducing the price to the producer. Do you want to do that? You may do it, but I do not believe some of you want to do it. But we must repeat, after you reduce the price to the farmer, how do you know that the present combines and trusts will let the consumer have the benefit? Instead of hazarding the interests of the farmer, why not go after these trusts?

A short time ago an enterprising rancher in my State, shipping potatoes, put a postal card in each sack of potatoes which he shipped and asked the purchaser of those potatoes if he would please write him back and tell what he paid for the potatoes. The farmer sold the potatoes at 55 cents a sack. The people who wrote him back—there were several hundred of them—paid all the way from \$1.50 to \$2.50 a sack. Yet the potato raiser, the wheat raiser, the barley raiser, the wool raiser, the sugar-beet raiser, and that class of men are the only men who are singled out, so far as this particular line of duties is concerned, upon whom to experiment with reference to reducing the price. The farmer plants his potatoes; he tills them the season through, in sunshine and in storm; he takes the chance of losing his crop; he harvests them; he hauls them to the depot; and he gets from 33 to 55 cents a bushel; the consumer pays \$1.50 to \$2.50; and yet you single out the potato raiser and the producer against whom to reduce the duty. The only man who could be affected as to price would be the farmer, who gets 55 cents. You do not reach the fellow who got \$2.50 for doing in a few days what it took the labor and effort of the farmer for a season.

Mr. President, I have said about all I desire to say. I do not propose to undertake to discuss in detail these schedules. Others are better fitted to do so, and I shall not undertake the task; but in conclusion I want to say this, and this only: That, in my opinion, anything which is calculated to discourage in any way American agriculture has its effect upon the entire country and will in the end have its depressing effect throughout the entire commercial interests of the United States. Not only that, but so long as our people are crowding to the cities, so long as the cities are filling up—and the congested centers are becoming more deplorable in their conditions and environ-

ment—it is the duty of the American Government not only here but in every other way possible to encourage people to go into the agricultural field.

It leads to a healthier civilization, to a broader and stronger citizenship, to a citizenship better calculated to discharge the duties of citizenship of the Republic. It diversifies industries; it leads to a wholesome national life.

Mr. WILLIAMS. Mr. President, I do not intend to keep the Senate long at this moment. I want briefly, however, to comment upon some things in connection with the arguments made upon the other side.

These duties upon cattle and meat and wheat and flour and corn either do result in benefit to the farmer or they do not. If they do result in benefit to the farmer, they can result in that benefit only in one way, and that is by raising the price of his product. If they do raise the price of his product, that increase can have only one effect or tendency, and that is to increase the price of bread and meat to all the people of the United States, the poor as well as the rich, the low as well as the high.

Mr. WARREN. Mr. President, may I ask the Senator a question?

Mr. WILLIAMS. Certainly.

Mr. WARREN. Does the Senator mean "raise the prices" or "maintain the prices"? Does he contend that prices will still rise for the farmer's products?

Mr. WILLIAMS. I intended to use the word I did use—"raise"; and the Senator will understand, in a minute, why I used it.

If these duties are operative and raise the prices, then you are taxing the meat and bread of the poor in order to contribute to the prosperity of the farmer. If that be true, so far as I am individually concerned, I am not willing to do it. Upon the other hand, if you embrace the other alternative, that they are not operative, then the removal of the duty will serve one good purpose, and that will be to deceive—or, if I may frame a strong Saxon word, to unfool—the farmers who have been deceived and fooled by political oratory and literature for so many years to believe that increasing prices are due to the tariff. In either event a good purpose will be subserved by removing the duty. In one event by decreasing the price of bread and meat; in the other by "unfooling" the western and northwestern farmer.

Some one might ask which one of the two things I think it will do. My individual opinion does not cut much figure, but still I will give it. I do not believe it will raise the prices, and I will give my reason for saying that. I shall not run over and repeat the argument made by the Senator from Indiana [Mr. SHIVELY], which was very exhaustive and very complete, to wit, that it will not raise the prices because these are export articles, whose prices are not dependent upon the local market, except here and there in a momentary way, owing to other things upon which I need not dwell at this time—transportation and various other things—but are dependent on world-market prices. I think there are certain other forces—world forces—that are now so strong that the prices of meat and bread or the things out of which meat and bread are made are going to go up for quite some time to come.

In the first place, the natural tendency of this age is one of industrial rather than agricultural development, a tendency which leads to the constant increase of urban populations as compared with rural populations.

In the second place, this natural tendency is increased by the fact that in every civilized country of the world except one—Great Britain—there is a more or less high system of protection which hothouses the population into the cities at the expense of the country.

The next great reason is that whether the interchangeable value of farm products as compared with one another and with manufactured products and with the price of labor shall increase or not, the apparent price will increase, because of the decrease in value of that in which they are measured, to wit, gold. That decrease of the value of what they are measured in is brought about by the constantly growing increase of the production of gold. If that stops, that tendency will stop. As long as that goes on, it will have its influence, whatever it may be, in raising prices.

If I am right in my view of the matter, then, in the first place, this after-described effect will follow: The Senator from Idaho [Mr. BORAH] is exactly right when he says that the backbone of the strength of the Republican Party and of protectionism in this country hitherto has been the western and the northwestern farmer. If he finds out that notwithstanding the re-

peal of these duties the prices of his products are going up anyhow, he will cease to attribute their rise in recent years to protectionism, because he will have to attribute their rise in the years to follow to something else. Then he will say to you gentlemen across the Chamber: "You have fooled me long enough. You have made me believe a falsehood long enough. I am tired of it. *Falsus in uno, falsus in omnibus*. Now, I don't believe in you at all, and I am going to quit having anything to do with you politically."

So much for that. Perhaps there is another reason why I believe it.

If I am wrong in my conclusion, if, upon the other hand, this free listing shall result in a reduction of the prices of meat and bread, then we shall have accomplished a much greater good than a mere political result. I do not want to see America go into the business of robbing the poor in order to enrich her landlords, as Germany is doing, and as England did up to the time of the repeal of the corn laws, and as France is doing to-day, and as Austria-Hungary is doing to-day.

While upon that subject, the Senator from Idaho said something about the comparative condition of the English farmers back in the corn-law days and now. I was surprised to hear him utter the opinion that they were better off then than now. All he has to do is to go to the agricultural part of mid-England to-day, and if he sees the farming classes there he will find the most prosperous set of men, outside of the farming classes of the United States, that are now to be found in the country anywhere in the world. And if he compares to-day's English farmer with the English farmer of corn-law days he will compare Hyperion to a satyr.

Mr. BORAH. Mr. President, I think the Senator states a fact which, as he states it, is very likely true, because there are only about a dozen left, and they are very prosperous.

Mr. WILLIAMS. Oh, well, I am awfully fond of a joke myself, and have sometimes been accused of destroying a dignified occasion by it; but whenever I indulge in a joke it possesses either the element of being harmonious with fact or else it possesses the element of being applicable to the situation or the argument.

Mr. BORAH. I hope the Senator will not suppose that I was trying to get into competition with him as to humor. I would not attempt such a thing as that.

Mr. WILLIAMS. If the Senator had supposed that I meant that, he would have held me guilty of arriving at "a lame and impotent conclusion," or competition at any rate.

The farmers in England are better off to-day than they were in corn-law days. Now, mark me, I say farmers, not landlords. The landlords were better off then than they are now. The Senator says that certain tariff-reform people in England at that time persuaded the farmers of England that repealing the duty on corn and all that would not ruin them. Yes; they persuaded them. They not only persuaded them, but the farmers of England remain persuaded up to this good day. In fact, they know it now, although only persuaded at first.

Then the Senator indulged in a little imaginary history about Rome that was very amusing to a man who knows history. The upshot of his statement was that the reason Italy went to pieces, as far as her agriculture was concerned, was because Rome did not "protect" her farmers against the pauper labor and the pauper agricultural products of Asia and Africa.

Every man who has been a student of Roman history knows why the peasant and farmer class and the yeomen and old sturdy legionaries who were citizens of the Roman Empire went out of agriculture in Italy. The Senator mentioned the fact that in the immediate neighborhood of Rome—the Eternal City itself—the lands were lying idle, or else were devoted to great patrician estates, villas, amusements, game preserves, and one thing or another, and said, substantially, that it was owing to lack of protection for the farmer. It was not owing to that. It was owing to these two facts:

First, Rome traveled farther in the direction of socialism than protectionism in America even has thus far gone. The principle underlying American protectionism, the most respectable argument made for it, is that it is intended to increase or maintain the wages of "the laboring man"; in other words, that it is to give something to the poor and to the laboring man as such. I have always thought that if you wanted to do that you could do it at less public expense by fixing a national standard of wages, and taking out of the Treasury at the end of each week for every man that did not earn the standard wage the difference between what he did earn and what he ought to have earned if he had earned the national standard. Then it would cost the people less and give the laborer more, because

none of it would leak to his boss on the way. But Rome went a step farther. She gave to all the free citizens of the city of Rome not only free bread but free circuses—panem et circenses. Do you suppose any man in Italy was going out to work on the farm 12 months of the year to make corn, when all he has to do is to come into the town of Rome and other towns with similar privileges plus a free circus and get it?

Socialism destroyed the agriculture of Rome, and Italy partially; but the thing that destroyed it most was the system of slavery. The lands were farmed out to great patrician landlords. They did not want free labor upon them. They brought in and substituted for free labor slave labor. Slave labor then, as always, was inefficient, because it is an unwilling labor. White slave labor is more inefficient than negro slave labor, because the white man is not only without hope, as the negro slave was, of any betterment of his own condition by his labor, but he is rebellious instead of being docile, as the negro slave was. So that Rome had this great system of labor disadvantage to contend with.

But I shall not enter into a discussion going away back into history. I have mentioned these things merely as saliently irrelevant characteristics of the argument to which we have just listened from the Senator from Idaho [Mr. BORAH].

Now, to answer something of more weight. The Senator from Idaho gave us certain comparisons between the acreage in England in 1866 and the acreage in 1911, I believe, or some recent year. The Senator from Idaho was very careful not to give us the agricultural production of the two years. Potatoes were one of the things the Senator spoke of. I find, for example, that in the year 1911 England and Ireland, which I suppose are about as big as Pennsylvania and Delaware—I have not the time to make the comparison of areas now—produced more potatoes than the entire United States, from the Canadian line to the Gulf and from the Atlantic to the Pacific.

Potatoes raised in England, Ireland, and the United States in 1911.

	Bushels.
England.....	129,813,000
Ireland.....	167,178,000
United States.....	233,778,000
<i>England, acres in wheat.</i>	
1907.....	1,537,200
1911.....	1,804,000
<i>Scotland, acres in wheat.</i>	
1907.....	48,000
1911.....	63,500
<i>Wheat produced in England.</i>	
	Bushels.
1907.....	53,000,000
1911.....	60,700,000
<i>Wheat produced in Scotland.</i>	
	Bushels.
1907.....	1,953,000
1911.....	2,786,000

In 1860, or thereabouts, the production of wheat in Great Britain was about 13 bushels to the acre. It is now 32 bushels to the acre. I find from the foregoing that in 1907 the acreage in wheat in England was 1,537,200, and in 1911 it was 1,804,000, a growth of nearly 300,000 acres in a tight little bit of an island—and not all the island at that, but just the English part of it—about as large as a good big American State. I find that in Scotland the acreage in wheat in 1907 was 48,000 acres, and in 1911 63,500 acres, which is about 15,000 acres of increase. I find that in 1907 England produced 53,000,000 bushels of wheat, and in 1911 60,700,000, an increase of 7,700,000. I find that in 1907 Scotland produced 1,953,000 bushels, and in 1911 2,786,000.

There was a time during which England went out of the wheat business almost entirely. There was a period, not very remote in our history, when new lands and agricultural production were overtaking and passing agricultural demands, and when at the same time a dollar was becoming year by year more and more valuable. That led to prices of corn and wheat and all other farm products that were ruinous, as measured in dollars, to the farmer, not only in Great Britain, but on the Continent of Europe, in Australia, and in America. During this period wheat was selling at about forty-odd cents a bushel here, if I remember correctly, and corn was selling at twenty-odd cents a bushel. At that time England went out of wheat production to a large extent and put her lands more and more into intensive farming. But I know by actual contact that there is to-day not a more prosperous farming class anywhere outside of the United States than in Oxfordshire and Warwickshire and mid-England, nor is there a people that spend their time more merrily. They take the week end off every week, and they are playing bowls and cricket and going to see regatta matches and all that.

I speak of the farmers whom I met and with whom I had many pleasant hours of converse. I do not know about farm labor. I suppose farm labor there is like it is nearly everywhere else in the world and like the labor in the factory is—pretty close to the ground. I suppose it will stay there for a long time, until men learn the great truth which Jesus Christ taught—that there ought to be a sort of spiritually founded, individualistic, and voluntary communism in the world; that the highest duty of a man is to work with all of his ability and all of his strength to do that which he can best do at the greatest profit, and out of his profit to keep of what he earns only that which he and his family need. Until that time comes I see no relief from the Savior's utterance, "The poor ye have always with you"; and, of course, the poorest of the poor will be those who work for wages.

So much for that. I want to refute one other point made by the Senator and some other gentlemen, and that is what would be the effect upon exports and imports if we gave the world—and that means Canada—free wheat and free flour.

In the first place, remember, if you please, that we are not going to give free wheat or free flour either to Canadians until Canada gives to our farmers free access for their flour and wheat to the Canadian market. So when you ask what will be the effect of giving Canada free wheat and free flour, your question is exactly this: What will be the effect of both sides giving free markets to the other? What will be the effect of the removal of a tax burden levied by a tax on our consumers on Canadian wheat and flour provided that at the same time Canada removes the tax which she levies on our wheat and flour when bought by her consumers? That is the precise question.

My own opinion is that it will increase exports and imports from both countries, which seems at first blush paradoxical. But here is a great American city close to the border. Transportation reasons will make the Canadian farmer seeking the highest price send his wheat to the mill at that American city. Here is a great Canadian city close to the border. Transportation reasons will make the American farmer seeking the highest price send his wheat to the Canadian mill city. So it will result in the seeming paradox of increasing exports and imports from both countries, a seeming paradox, I say, because it is not a real paradox. All freedom of trade between all parts of the world invariably has that double result.

I am no more afraid of competition between a Canadian Province and an American State—and if I were a Canadian I would be no more afraid of it either—than I am afraid of competition between Minnesota and North Dakota, or between Mississippi and Georgia, or between Maine and Florida.

One of the most curious things in the world is that men will insist upon hampering trade by tollgate-tariff taxes when they are always bending every energy to unhamper trade by every other means known to humanity. The very man who will stand here and argue for a protective tariff for protecting home industry wants to build the Panama Canal to lessen the transportation rate, which protects the man on the Pacific slope from foreign competition. The very man who stands here and says a Canadian Province will ruin an American State if the citizens of the State can buy things from Canada would spend a great deal of energy to make the freight rate between North Dakota and the State of Washington one-half of what it is now. So much for that. Now, upon one other point and I am through.

But first I remember about the different prices of wheat in different places, which has been so much dwelt on in this debate. Without taking up the time of the Senate, but just to illustrate how foolish all that is and how it necessarily comes from local conditions, one place is an American milling center and another is a farming community in Canada across the border. Take it vice versa. Of course the price at the milling center exceeds that in the farming community. Prices vary in Canada just as prices vary in the United States. In order to illustrate that I want to insert from the Yearbook of the Department of Agriculture for 1911 the average farm price of wheat per bushel on the first of each month. Remember, this is the farm price, so that transportation rates to milling centers have nothing to do with it. I will read only one year. I will take the year 1910. For the North Atlantic States it was \$1.13, in round numbers; for the South Atlantic States, \$1.20, in round numbers; for the North Central States east of the Mississippi River, \$1.12, in round numbers; for the North Central States west of the Mississippi River, 98 cents, in round numbers; for the South Central States, \$1.12; and for the far Western States, an even dollar. I shall ask permission to insert the entire table.

The PRESIDENT pro tempore. Without objection, that will be the order.

The table referred to is as follows:

[From Yearbook, 1911.]

Average farm price of wheat per bushel on the 1st of each month, 1910-11.

Month.	United States.		North Atlantic States.		South Atlantic States.		North Central States east of Mississippi River.	
	1911	1910	1911	1910	1911	1910	1911	1910
January.....	Cents. 88.6	Cents. 103.4	Cents. 91.5	Cents. 113.1	Cents. 101.1	Cents. 120.9	Cents. 89.6	Cents. 112.8
February.....	89.8	105.0	91.6	115.8	102.8	121.9	91.0	114.8
March.....	85.4	105.1	89.6	117.6	100.5	122.8	85.8	114.0
April.....	83.8	104.5	88.0	117.2	97.5	121.2	83.5	110.7
May.....	84.6	99.9	87.4	110.4	97.8	115.3	83.3	103.4
June.....	86.3	97.6	90.0	105.6	98.9	113.3	85.5	101.1
July.....	84.3	95.3	88.0	102.9	95.3	108.8	82.3	97.0
August.....	82.7	98.9	86.0	102.3	93.4	106.6	78.6	98.2
September.....	84.8	95.8	86.5	100.6	96.0	100.1	82.3	95.1
October.....	88.4	93.7	88.8	99.1	98.1	105.7	87.1	92.8
November.....	91.5	90.5	91.6	97.0	100.7	104.3	91.8	90.4
December.....	87.4	89.4	93.1	93.4	97.7	102.9	89.4	88.4

Month.	North Central States west of Mississippi River.		South Central States.		Far Western States.	
	1911	1910	1911	1910	1911	1910
January.....	Cents. 87.3	Cents. 98.5	Cents. 95.0	Cents. 112.3	Cents. 79.8	Cents. 100.0
February.....	89.1	100.4	96.6	112.5	79.2	100.2
March.....	83.6	100.1	92.7	113.8	77.2	101.2
April.....	82.0	100.3	92.7	113.3	76.0	101.1
May.....	83.7	97.1	91.2	109.3	77.8	94.4
June.....	84.2	94.5	93.5	107.5	81.5	94.0
July.....	82.9	94.4	87.0	97.1	82.8	88.9
August.....	82.1	100.5	84.7	100.0	82.3	90.1
September.....	86.1	95.6	89.5	96.4	74.9	91.9
October.....	90.7	94.2	91.6	96.1	76.0	86.0
November.....	94.3	89.4	95.9	94.5	75.5	86.0
December.....	89.5	88.2	94.7	93.4	74.5	83.6

Mr. WILLIAMS. Now, there is one other thing I want to say. I do not want the country to think that I, at any rate, am intellectually dishonest with it. I do not want any Senator to think so. If anybody thinks I indorse every paragraph or proviso in the pending bill, then I reckon that he is mistaken, of course. I differ from the Senator from Minnesota [Mr. CLAPP] in one very important respect. The Senator does not seem to believe in party government. I do. I do not know any way in the world of carrying on free government except in a bipartisan way. It happens always to have been and now to be a fact that countries which are despotic have no parties and countries which are free always have parties and party government. In England, first and chief of all free Governments, the principle of party goes so far that a man untrue to party must resign office. When Napoleon constructed a government he made partisanship, or "factionalism," as he called it, a crime.

Now, if you believe in party at all, you have got to believe in a majority of the party ruling the party. When I strike a paragraph that I do not believe in, it does not faze me to support it. I have been touched up two or three times in this debate about my individual views on sugar. I do not believe in the sugar schedule of this bill, but I have got my choice between the Payne-Aldrich law and this bill as expressions of fiscal policy. I have my choice between sustaining my colleagues and my party and staying with them or deserting them and all hopes of future usefulness. No matter of principle is involved. A rate of taxation is never a matter of principle. It can not be.

I have said and I say now that the least burdensome of all taxes upon the consumer is a tax upon sugar, a reasonable tax. I was willing to have taken the English free-trade duty—40 cents a hundred—which would have put Louisiana out of business as completely as free sugar but would have given the American Government \$30,000,000 revenue in a manner least burdensomely laid upon the people—laid upon a finished product and not a raw material—and thereby enabling us to reduce still further the duties on clothing and other necessities. But I do not even believe that I owe any apology to my constituents, the country, or myself for the fact that when we reach that

schedule I shall vote for it as worded in this bill. I shall vote for it upon the general ground that I am not conceited enough and not egotistical enough to believe that I either ought to or could make my opinion prevail against the opinion of the vast majority of the school of politics to which I belong.

I am a good deal of an individualist. I am a good deal of a worshiper of Thomas Jefferson, who was the high chief of individualists. I believe the world is to be saved by individualism and by the emphasis of the fact of the individual's personal right and liberty as against governmental power.

But I have never seen any way of accomplishing any important result in this world except by "team work." Politics, baseball, football, and church work are all the same in this regard. A man takes himself very seriously who thinks he can accomplish much by himself. If he forgets all the other spheres that are rolling around outside of the earth and comes down simply to the earth, and then forgets all the earth except his own country, and forgets all that except his own township, he still can not hope to accomplish much by himself. What is doable must be done by cooperation with those who come nearest to believing as he believes.

If every time he gets into power with enough of his own people they all go to pieces because A believes that paragraph B is wrong and C believes that paragraph D is wrong, and each that he must stand out and vote against the whole bill because the wrong paragraph is in it, then you would have to have nine-tenths of the population of the country and nine-tenths of the members in the legislative halls on your side before you could ever do anything.

The question with which you are faced here to-day, every one of you—and the American people are not going to let you forget it—is this: Which of these two things do you prefer, the Payne-Aldrich law or the Underwood bill? You are here, each one of you, to represent the whole American people, as the Senator from Minnesota failed to say. If you want to go back home and defend the iniquities of the Payne-Aldrich law as against the provisions of this bill, imperfect as this bill is, go and do it. I for one do not envy those of you who have led your people to believe that you are in favor of "a revision of the tariff downward." When you undertake that task of self-defense you are going to meet some difficulties.

Mr. President, I apologize for taking so much of the time of the Senate at this hour. It is customary to go into executive session at 6 o'clock. I intended to stop at 6 o'clock; it is now a quarter after. I desist.

Mr. SHIVELY. I ask unanimous consent to incorporate as a part of my remarks made this afternoon a list of articles of the farm that the bill puts on the free list and also a table of statistics relating to the price of wheat.

The PRESIDENT pro tempore. That will be the order, unless there is objection. The Chair hears none.

BUREAU OF MINES, PITTSBURGH, PA.

Mr. SWANSON. Mr. President, I submit a favorable report out of order from the Committee on Public Buildings and Grounds. I report back favorably without amendment the bill (S. 2689) amending an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913.

This is a very important matter, and I should like to get unanimous consent for its consideration. It will take but a few minutes. It simply proposes the erection of fireproof laboratories for the Bureau of Mines at Pittsburgh.

The PRESIDENT pro tempore. The Senator from Virginia asks unanimous consent for the present consideration of the bill which has been reported by him.

Mr. GALLINGER. Let the bill be read for the information of the Senate.

Mr. BRISTOW. Let it be read.

Mr. SWANSON. It will take but a few minutes to read it.

The PRESIDENT pro tempore. The bill will be read at length.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to amend section 26 of the act approved March 4, 1913, which authorizes the Secretary of the Treasury to enter into a contract or contracts for the erection of fireproof laboratories for the Bureau of Mines in the city of Pittsburgh, Pa., etc., so as to authorize the Secretary of the Treasury, in his discretion, to accept and expend, in addition to the limit of cost therein fixed, such funds as may be received

by contribution from the State of Pennsylvania, or from other sources, for the purpose of enlarging, by purchase, condemnation, or otherwise, and improving the site authorized to be acquired for said Bureau of Mines, or for other work contemplated by said legislation, provided that the acceptance of such contributions and the improvements made therewith shall involve the United States in no expenditure in excess of the limit of cost heretofore fixed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 12 minutes spent in executive session, the doors were reopened and (at 6 o'clock and 24 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 14, 1913, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 13, 1913.

MINISTER.

William J. Price, of Kentucky, to be envoy extraordinary and minister plenipotentiary of the United States of America to Panama, vice H. Percival Dodge, resigned.

CONSTRUCTOR IN THE REVENUE-CUTTER SERVICE.

Frederick Allen Hunnewell, of New York, to be constructor in the United States Revenue-Cutter Service with the rank and pay of a first lieutenant in said service, in place of William C. Besselleve, deceased.

COLLECTOR OF INTERNAL REVENUE.

Thomas Scott Mayes, of Kentucky, to be collector of internal revenue for the fifth district of Kentucky, in place of Ludlow E. Petty, superseded.

ASSISTANT SURGEONS IN THE PUBLIC HEALTH SERVICE.

Howard Franklin Smith to be assistant surgeon in the Public Health Service. (Additional assistant surgeon.)

Lon Oliver Weldon to be assistant surgeon in the Public Health Service. (Additional assistant surgeon.)

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 13, 1913.

ASSISTANT APPRAISER OF MERCHANDISE.

Campbell Whitthorne to be assistant appraiser of merchandise in the district of San Francisco, Cal.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

The following-named citizens to be assistant surgeons, in the Medical Reserve Corps:

Frederick Ceres, and
Robert L. Crawford.

Civil Engineer Adolfo J. Menocal to be a civil engineer with rank of captain.

Civil Engineer Charles W. Parks to be a civil engineer with rank of commander.

POSTMASTERS.

ALABAMA.

W. P. Tartt, Livingston.

ARIZONA.

J. S. Campbell, Williams.

ARKANSAS.

T. O. Poole, De Queen.

KENTUCKY.

E. T. Schmitt, Louisville.

MINNESOTA.

M. F. Finnegan, Morris.

H. E. Hoard, Montevideo.

Oscar Johnston, Nashwauk.

Edwin E. Lietz, Eyota.

Louis Tillmans, Aurora.

MISSISSIPPI.

J. H. Robb, Greenville.

TENNESSEE.

Emily Taylor St. John, Harriman.

SENATE.

THURSDAY, August 14, 1913.

The Senate met at 11 o'clock a. m.

Prayer by Rev. C. A. Thomas, of the city of Washington.

The VICE PRESIDENT resumed the chair.

The Journal of yesterday's proceedings was read and approved.

AFFAIRS IN INSULAR POSSESSIONS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting certain information relative to a compilation prepared by the Bureau of Insular Affairs regarding the administration of the affairs of noncontiguous territory, and requesting that the printing thereof be authorized by Congress by the passage of a concurrent resolution, which was referred to the Committee on Printing.

PETITIONS AND MEMORIALS.

Mr. SHEPPARD presented a petition signed by sundry citizens of the State of Texas, praying for the adoption of an amendment to the Constitution extending the right of suffrage to women, which was ordered to lie on the table.

Mr. MYERS presented petitions signed by sundry citizens of the State of Montana, praying for the adoption of an amendment to the Constitution extending the right of suffrage to women, which were ordered to lie on the table.

Mr. TILLMAN presented a memorial of sundry wholesale and retail fruit dealers, residents of Charleston, S. C., remonstrating against the proposed duty on bananas, which was ordered to lie on the table.

THE REPUBLIC COAL CO.

Mr. MYERS, from the Committee on Public Lands, to which was referred the joint resolution (S. J. Res. 41) authorizing the Secretary of the Interior to sell or lease certain public lands to the Republic Coal Co., a corporation, reported it with an amendment and submitted a report (No. 101) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BACON:

A bill (S. 2994) for the relief of Heph Pope (with accompanying paper); to the Committee on Claims.

By Mr. BURTON:

A bill (S. 2995) granting a pension to Charles S. Allen; to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

MARY COULTER EARLE.

Mr. FLETCHER submitted the following resolution (S. Res. 161), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the miscellaneous items of the contingent fund of the Senate to Mary Coulter Earle, widow of Sherod L. Earle, deceased, late a messenger of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

COMMITTEE SERVICE.

On motion of Mr. KERN, it was—

Ordered, That the following changes in the committees of the Senate be made, to take effect August 15, 1913:

That Senator GEORGE E. CHAMBERLAIN be appointed chairman of the Committee on Military Affairs in the place of Senator JOHNSTON of Alabama, deceased.

That Senator HENRY L. MYERS be appointed chairman of the Committee on Public Lands in the place of Senator CHAMBERLAIN, resigned as chairman.

That Senator MARCUS A. SMITH be appointed chairman of the Committee on Irrigation and Reclamation of Arid Lands in the place of Senator MYERS, resigned as chairman.

That Senator J. K. VARDAMAN be appointed chairman of the Committee on Conservation of National Resources in place of Senator SMITH of Arizona, resigned as chairman.

That Senator VARDAMAN be excused from further service on the Committee on Expenditures in the Post Office Department.

THE TARIFF.

Mr. DILLINGHAM. Mr. President, I desire to give notice that on to-morrow, Friday, at the conclusion of the morning business, I shall address the Senate on the pending tariff bill.

THE TARIFF—IMPORTATION OF PLUMAGE.

Mr. McLEAN. Mr. President, I desire to give notice that on Saturday next, the 16th, I will address the Senate very briefly on